

GAO Highlights

Highlights of [GAO-17-320](#), a report to congressional committees

Why GAO Did This Study

Since 2012, DOD and DOE have been establishing innovation institutes to promote the research, development, and commercialization of advanced manufacturing technologies. The RAMI Act of 2014 requires the Secretary of Commerce to establish a program, with eight specified purposes, that includes a network of manufacturing innovation institutes. Commerce, through a program office, is to coordinate this program—called Manufacturing USA.

The RAMI Act includes a provision for GAO to assess the program every two years, with a final assessment in 2024. This is GAO's first report in response to the statutory provision. Among other objectives, GAO examined (1) the status of the network and use of the institutes, (2) the extent to which performance measures are in place to assess progress toward achieving the statutory program purposes, and (3) the extent to which Commerce has taken steps to coordinate agencies contributing to the program.

GAO reviewed documentation and interviewed officials from Commerce, DOD, DOE, DOL, the Department of Education, and Manufacturing USA institutes; and held discussion groups with a nongeneralizable sample of institute member representatives.

What GAO Recommends

GAO recommends that Commerce work with all relevant federal agencies to fully identify roles and responsibilities for how agencies that do not sponsor institutes could contribute to the Manufacturing USA program. Commerce agreed, but suggested an alternative recommendation. GAO modified the recommendation to clarify its intent. View [GAO-17-320](#). For more information, contact John Neumann at (202) 512-3841 or neumannj@gao.gov, or Andrew Sherrill at (202) 512-7215 or sherrilla@gao.gov.

April 2017

ADVANCED MANUFACTURING

Commerce Could Strengthen Collaboration with Other Agencies on Innovation Institutes

What GAO Found

As of December 2016, the Departments of Defense (DOD), Energy (DOE), and Commerce (Commerce) collectively had signed agreements to establish 11 manufacturing innovation institutes. Four of these institutes were established prior to enactment of the Revitalize American Manufacturing and Innovation Act of 2014 (RAMI Act), which requires Commerce to establish a network of institutes for manufacturing innovation. Since 2014, the network—called the Manufacturing USA network—has grown as DOD, DOE, and Commerce have established seven more institutes, and Commerce, DOD, and DOE plan to sponsor up to four more institutes. Each institute is a public-private partnership between the sponsoring federal agency and a nonfederal entity in charge of operations, with the nonfederal entity matching or exceeding the federal financial assistance. GAO's analysis of institute membership from May through September 2016 shows that about 780 members had joined the seven institutes that were operating during GAO's review (i.e., supporting research projects in their technology focus areas). Members receive a variety of benefits, such as access to intellectual property and networking opportunities.

Commerce, DOD, and DOE worked together to develop initial performance measures to track progress toward the Manufacturing USA program's statutory purposes. Additionally, DOD, working with Commerce and DOE, hired a consultant to review the Manufacturing USA program. The consultant's January 2017 report included recommendations on revised measures to track program progress. After considering the results of this review, Commerce plans to work with DOD and DOE to reach agreement on a revised set of measures. While Commerce may face challenges with assessing the program, such as the timeframe over which results may need to be measured, it has taken steps or has identified options to address these challenges.

Commerce has used a variety of mechanisms to coordinate the Manufacturing USA program. These mechanisms incorporate several key practices GAO has identified for enhancing and sustaining interagency collaboration. However, GAO found that the process used to develop a governance system that outlines agencies' responsibilities for contributing to the program did not include all relevant non-sponsoring agencies (agencies that do not sponsor institutes), or ensure that their roles and responsibilities for contributing to the program are fully identified. Specifically, non-sponsoring agencies, such as the Department of Labor (DOL)—which administers discretionary grant programs that can help increase the number of skilled workers in advanced manufacturing—were not actively involved in developing the governance system. Additionally, the governance system does not specify any responsibility for non-sponsoring agencies to provide information or expertise related to their activities to the program. A Commerce official told GAO that the governance system is subject to revision, but participation in the program is up to each agency. However, including all relevant agencies in the process of revising the system and fully identifying non-sponsoring agencies' roles and responsibilities could strengthen Commerce's efforts to leverage and coordinate agencies' contributions to the program, consistent with key practices for interagency collaboration.