The Manufacturing Extension Partnership (MEP)

Helping Connect U.S. Manufacturers with Next Generation Rail Equipment Domestic Supply Chains

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About MEP

• Federal-state-private partnership that works with U.S. manufacturers to help them create & retain jobs, increase profits, save time & money.

• Nationwide network of manufacturing specialists assisting manufacturers to grow and compete, with focus on:
  - Developing new customers, expanding into new markets, creating new products.

• MEP operates in all 50 U.S. states and Puerto Rico
  - Managed at federal level by NIST
  - 60 MEP Centers with ~400 field service locations
  - >1,300 Non-Federal staff in MEP Network; contract with ~2,100 3rd party service providers
  - Center operational model includes fee-for-service approach

• Performance Emphasis – MEP measured on impact of center services on manufacturing firms.
The Nationwide Network of MEP Centers

60 MEP Centers Across the U.S.

800.MEP.4MFG
www.nist.gov/mep
What MEP Does

- MEP Center areas of strength across the network
  - Technical Manufacturing Services for products/processes
  - Growth Services – new and expanded market opportunities
  - Market Diversification
  - Environmental Sustainability
  - Workforce Development
  - Lean Manufacturing & Quality Systems

- Reach >31,000 manufacturing firms, complete >10,000 projects per year, producing significant, measured impacts for U.S. manufacturers:

  $6.6 Billion New, Retained Sales; $900M Cost Savings
  $2.5 Billion Capital Investment; 61,139 Jobs Created, Retained

*Based on FY2012 MEP Center reported performance data.  **Based on FY2010 Client reported data.
The Focus

- Make robust the domestic supply base for next generation rail by connecting (small-medium) U.S. manufacturers with large OEMs, Tier 1 Suppliers

- Use proven MEP Supplier Scouting and partnering processes to identify capable and interested manufacturers

- Bring rail supply/production opportunities to more U.S. manufacturers – those with traditional rail industry experience, as well as new industry partners

- MEP support manufacturers as appropriate once connections are made
DOT – MEP Partnership
Supply Chain Connectivity

• 5 Forums and 1 National Webcast held 2011-2012

  ✓ Sacramento, CA; Chicago, IL; Kansas City, MO; Orlando, FL; Clarion, PA

  ✓ Connect large OEMs and Tier 1 Suppliers with smaller U.S. manufacturers interested in supply chain opportunities for next generation rail

  ✓ Participation from ~ 1,000 U.S. manufacturing reps interested in supply chain opportunities, + over 120 MEP System representatives across 30 states, + Sec & Dep Sec of Transportation, FRA Administrator

  ✓ Participation from 13 OEMS and Tier 1 Suppliers - took part in >625 one-on-one business meetings with potential suppliers

• MEP Centers working with manufacturers to help facilitate supply connections and assist as appropriate during supply operations and processes
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Supply Chain Connectivity – Supplier Scouting

• MEP System IDs U.S. manufacturers w/capabilities, capacities, business interests to supply needed products for Rail Supply Chains

• Supplier Scouting
  ▪ MEP Centers use local best practices to ID manufacturers in response to supply opportunities disseminated by NIST MEP
  ▪ Centers typically return responses in 10-30 days
  ▪ Responses: *Exact Match, Partial Match, No Match*
    • Different approaches implemented - per specific opportunity
    • Based on customer needs, can provide:
      ➢ *Comprehensive 50-state analysis*
      ➢ *Quick-look analysis with national awareness*
      ➢ *targeted geographic focus*
Significant U.S. manufacturing sector interest exists in supply opportunities for production of equipment for U.S. next generation passenger rail service

- **2012 Forum participation** very high
- **2012 MEP Supplier Scouting** for Buy America waiver request submitted to DOT FRA for 5 foreign-produced, High-Speed Turnout Items returned >275 instances of interested manufacturers with potential matching capabilities, capacities
  - Additional vetting of most promising ID’d manufacturers did not result in any U.S. manufacturers who could immediately produce needed items
    ... but ...
  - Did provide evidence that domestic capability, interest to produce the items may be able to be leveraged in near future
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Other Results / Learning

- Rail OEMs and Tier 1s have important supply chain needs – whether connected to Buy America(n) provisions or not
  - Seeking good suppliers, supply redundancy in specific critical / problem areas
  - Seeking suppliers for components, subcomponents near location of final assembly to improve ops / cut costs
- MEP interested and available to help find, assist suppliers that match supply needs & solve supply issues
DOT – MEP Partnership
Going Forward

• DOT FRA, NIST MEP updating partnership for Next Generation Rail Supply Chain Connectivity - may include:
  ✓ MEP Supplier Scouting: Buy America Waiver Requests at FRA
  ✓ Additional Supply Chain interactions to help make domestic supply base for next generation rail more robust in broad sense

• Anticipate opportunities to exercise FRA-MEP partnership in conjunction with 2013 locomotive procurement

• Anticipate similar efforts via separate agreement pending w/DOT FTA

• NIST MEP will continue to operate its Next Generation Rail Supply Chain Connectivity website:
  http://www.nist.gov/mep/rail.cfm