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1. Q. What criteria should be used to select technology focus areas?
 - A. Supply, demand and defense industrial base health should be used to select technology focus areas. Technology focus areas should be selected that are relevant to rebuilding the industrial base where there is a high demand for a product and low supply for that product at a price that consumers can afford to pay.
2. Q. What technology focus areas that meet these criteria would you be willing to co-invest in?
 - A. I would be willing to co-invest in technology focus areas where the cost of production in the U.S. is lower than competitive nations and the quality of the product is higher. These areas will meet a national need to rebuild the defense industrial base and eliminate the trade deficit with high-value high-tech exports. Commercial aircraft and automobile manufacturing are the most important.
3. Q. What measures could demonstrate that Institute technology activities assist U.S. manufacturing?
 - A. Achieving global economies of scale, dominating new previously untapped global markets, breaking the existing cost-value curve – offering a greater value at a lower price than international competition.
4. Q. What measures could assess the performance and impact of Institutes?
 - A. Meeting national needs of: 1) achieving near full employment, 2) eliminating the trade deficit, 3) restoring U.S. manufacturing dominance, and 4) restoring the ability to fund an adequate national defense.
5. Q. What business models would be effective for the Institutes to manage business decisions?
 - A. The free-enterprise model that was used by FDR when he ended the Great Depression after his *Arsenal of Democracy* speech 29 December 1940.

FDR’s model was to harness the energy of capitalism. After two terms and eleven years of the Great Depression FDR realized that his socialist-leaning policies were not working. Two terms of these failed policies couldn’t even get the U.S. out of the depression let alone ramp up the economy to defeat the Axis powers. FDR made a bold decision: he went against his advisors,

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against Vice President Henry Wallace and even against his wife Eleanor and decided to try capitalism. FDR recruited William Knudson from GM to lead the effort to rebuild the U.S. defense industrial base. Knudson brought the U.S. Industrial base back to life by personal leadership, mass-production expertise, production goals, and production contracts. As a result, the Great Depression ended with an economic boom that transformed the U.S. into the greatest industrial power in the world.

A man of strong moral character and patriotism, like Knudson, is required to avoid crony capitalism and other moral hazards.

6. Q. What governance models would be effective for the Institutes to manage governance decisions?
- A. The strong CEO Model. Hire a leader with a good track record of bridging the gap between applied research and product development, manufacturing in the U.S. and exporting to the global market. Again citing the FDR example, . Knudson personally lead the effort to transform the U.S. economy into an industrial giant that dominated the globe. Knudson was the capitalist's capitalist. His experience in mass production at Ford Motor and later General Motors led FDR to believe Knudson was the man who understood domestic manufacturing and could lead the U.S. economy out of depression to accelerated production. Roosevelt's role was to pledge all-out production to help U.S. allies defeat U.S. enemies.

Knudson's plan was simple and effective. Instead of czars and bureaucrats commanding production, he would simply put out a pot of money and let American Industry bid for contracts and manage all the details. Knudson's plan worked brilliantly and soon American's were going back to work and the American industrial machine sputtered to life. Within one year, the U.S. went from the depths of the Great Depression to full employment. Wages and profits exploded. The creative force of capitalism was unleashed; America flexed her muscles, and dominated the world.

7. Q. What membership and participation structure would be effective for the Institutes, such as financial and intellectual property obligations, access and licensing?
- A. All members should be required to register as defense contractors. All new technology developed as a result of institute efforts should be classified to prevent theft by competitive hostile nations. Members should be required to take appropriate steps to protect intellectual property.

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8. Q. How should a network of Institutes optimally operate?
- A. The network of institutes should operate to provide assistance to individual entrepreneurs who seek help on a case by case basis. The institutes should provide legal and engineering services in assisting entrepreneurs in overcoming obstacles to implementing production of their products in the U.S. Obstacles to include technological, marketing, regulatory, financial, environmental, zoning, and labor impediments. In many cases this would entail the institute representing a U.S. manufacturer against a federal, state, or local government agency. The network of institutes would need a lobbying division to represent the interests of the national defense industrial base before the executive, legislative and administrative branches of government as well as a legal division to provide representation before the judicial branch.
9. Q. What measures could assess effectiveness of Network structure and governance?
- A. Sales, exports, domestic production, trade deficit reduction, balance of payments reduction, and tax revenues from private sector domestic manufacturing and labor.
- 10.Q. How should initial funding co-investments of the Federal government and others be organized by types and proportions?
- A. Recent co-investments and loan guarantees have proven problematic. Government co-investments should be limited to building and owning plant sites.
- Private CPA and law firms with significant experience in the area should be retained to organize the types and proportions for funding procedures. Large CPA firms have significant contacts in private sector upon which they can draw for expertise.
- 11.Q. What arrangements for co-investment proportions and types could help an Institute become self-sustaining?
- A. A self-sustaining institute would become a government bureaucracy with career professionals seeking to perpetuate their jobs rather than solve the problem the agency was created to address. Therefore, making the institute self-sustaining would be counter-productive.
- 12.Q. What measures could assess progress of an Institute towards being self-sustaining?

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- A. The mission of the institute should be to facilitate the rebuilding of the defense industrial base so that the U.S. can again manufacture and export what it invents and innovates. The goal of the Institute should be to work itself out of a job.
- 13.Q. What actions or conditions could improve how Institute operations support domestic manufacturing facilities while maintaining consistency with our international obligations?
- A. The sole mission of the institute should be to support domestic manufacturing facilities to enable U.S. manufacturing to achieve victory over foreign competition. This is not a win-win situation. Foreign nations are not playing according to traditional rules of free trade. U.S. adversaries are using manufacturing and trade as weapons in conducting an economic war against the U.S. The U.S. has been playing according to rules that other nations no longer observe. The U.S. has been pulling punches and playing “not to lose” and losing. To win in manufacturing and trade, the U.S. must play to win. This is a “we win -- they lose” situation. The mission must be to win in manufacturing and trade.
- 14.Q. How should Institutes engage other manufacturing related programs and networks?
- A. Most programs and networks are negatively related to U.S. manufacturing success. This is why the U.S. is unable to successfully compete with China and other aggressive emerging market nations. The mission of the institutes is to stop hostile programs and networks from harming U.S. manufacturing.

The mission of the Institutes should be to help private U.S. manufacturers engage foreign competition by bringing to the global market technology and innovations developed in the U.S. through products manufactured in the U.S.

It must be kept in mind, as articulated by Adm. Mike Mullen, the biggest national security threat facing the U.S. is debt. Debt is also the biggest threat to U.S. survival and prosperity, to extent that there is any difference between survival, prosperity and national security. This debt is partly and primarily the result of the inability of domestic U.S. manufacturers to convert the inventions and technology developed in the U.S. into products of a quantity, quality, and price acceptable to the global market.

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The primary function of the institutes is to help remove barriers and obstacles to developing U.S. based manufacturing and exporting of high-tech high-value products developed with U.S. innovations and technology. Many if not all of these barriers are imposed by administrative agencies in attempts to serve their various constituencies. The primary mission of the institutes is to engage these administrative agencies and educate them on how their policies and actions are harming U.S. manufacturing and trade and how they can and must cease and desist from their harmful and misguided activities and policies. Lobbying, court action and waivers will be the tools used.

- 15.Q. How should Institutes interact with state and local economic development authorities?
- A. The Institutes should seek to assist and represent individual manufacturing businesses in removing legal and regulatory obstacles to production, and seek to eliminate legal and regulatory requirements that add to the cost of production but add nothing to the value of the product.
- 16.Q. What measures could assess Institute contributions to long term national security and competitiveness?
- A. Reduction or elimination of the balance of payments and trade deficit, especially in high-tech and high-value exports. Reduction in unemployment. Increase in economic growth.
17. Q. How could Institutes support advanced manufacturing workforce development at all educational levels?
- A. Institutes will support advanced manufacturing workforce development by supporting manufacturing firms in administering private programs to train prospective employees to perform their jobs.
18. Q. How could Institutes ensure that advanced manufacturing workforce development activities address industry needs?
- A. Industries have no needs apart from meeting the needs of their consumers. Industries are successful and competitive to the extent that they can meet consumer needs, as defined by producing a product that consumers want at an affordable price. If consumers have a choice, they will buy the highest quality product at the most affordable price. Institutes could address industry needs by assisting the manufacturer in eliminating those activities that

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increase cost but do not add value to the product, especially with regard to obtaining waivers or work-arounds of harmful legal and regulatory requirements.

- 19.Q. How could Institutes and the NNMI leverage and complement other education and workforce development programs?
- A. Thomas Edison, Henry Ford, Steve Jobs, and Bill Gates never graduated from college and cannot attribute any of their success to formal education or a government training program. To revive the U.S. industrial base, the focus must on product competition. After the U.S. successfully revives its manufacturing and trade dominance, more attention can be given to education.
20. Q. What measures could assess Institute performance and impact on education and workforce development?
- A. 1) Significant reduction or elimination of the trade deficit; 2) significant reduction or elimination of the Balance of payments deficit; and 3) significant reduction in or elimination of unemployment.
21. Q. How might institutes integrate R&D activities and education to best prepare the current and future workforce?
- A. It is uncertain whether R&D and education currently provide any benefit to the U.S. workforce. There is little evidence or logic that would suggest that this is the case. U.S. funded R&D is unlikely to be used in domestic manufacturing because of the hostile U.S. legal and regulatory environment. Therefore U.S. R&D is more likely to benefit foreign competition. Moreover, the U.S. primary and secondary educational systems are among the most dysfunctional and poorest performing of the industrialized nations. Preparing the U.S. workforce for global competition would require bypassing or eliminating the current primary and secondary educational systems.
- U.S. manufacturers could receive financial incentives to provide their own training centers. When prospective employees demonstrate mastery of the skills necessary to perform the job then they can be hired.