

# The Manufacturing Extension Partnership (MEP)

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

**PRIIA Section 305 NGECC 3rd Annual Mtg**  
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David C. Stieren

Principal, MEP-DOT Partnership and MEP Supplier Scouting

NIST MEP david.stieren@nist.gov



**MEP • MANUFACTURING  
EXTENSION PARTNERSHIP**

NATIONAL INSTITUTE OF  
STANDARDS AND TECHNOLOGY



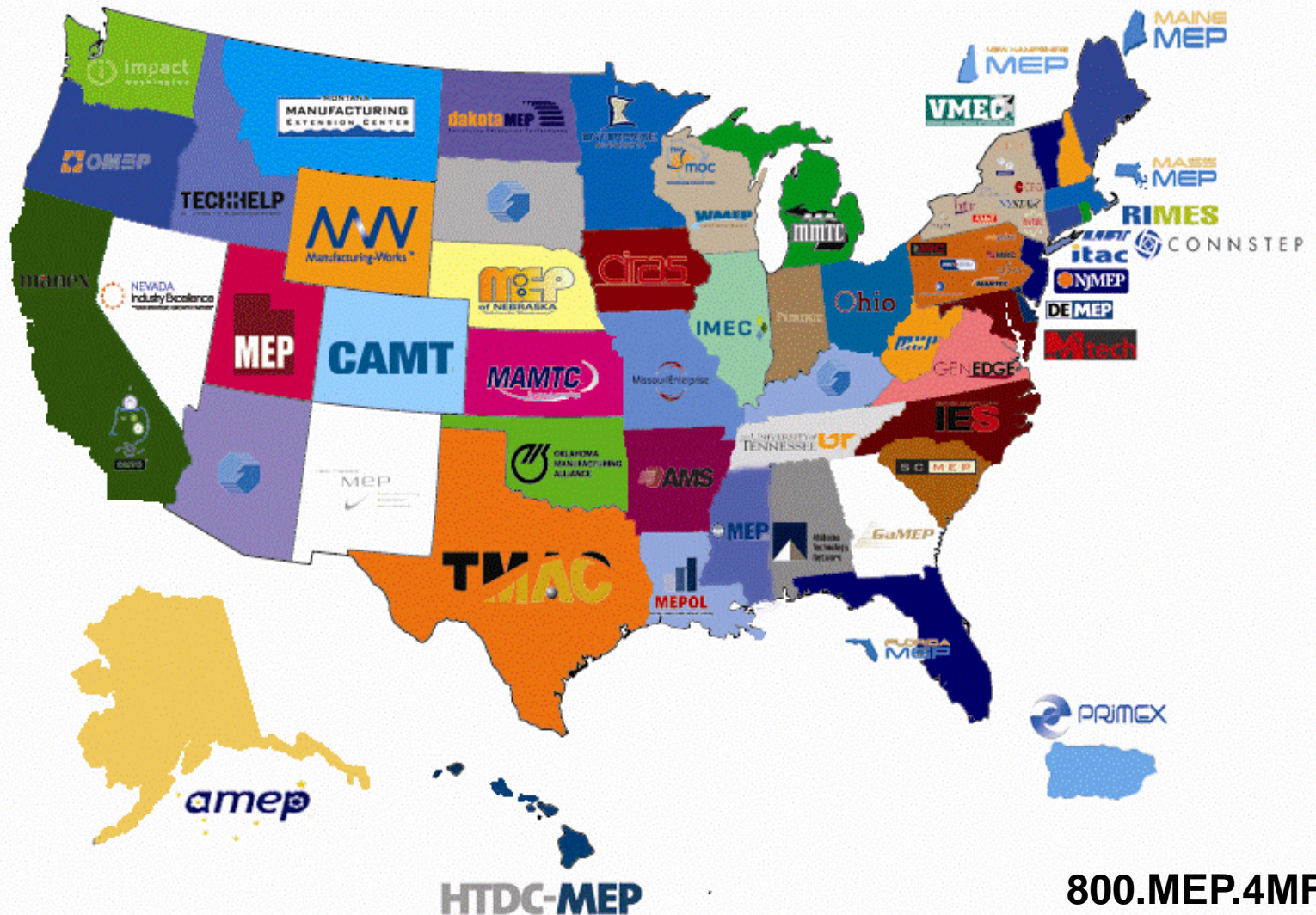
U.S. Department of Transportation  
**Federal Railroad Administration**

# 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



800.MEP.4MFG  
[www.nist.gov/mep](http://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:\*

*Making an impact on  
U.S. Manufacturing*

**\$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.



# DOT FRA – MEP Partnership

## *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



# DOT – MEP Partnership

## *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*



# DOT – MEP Partnership

## *Supplier Scouting*

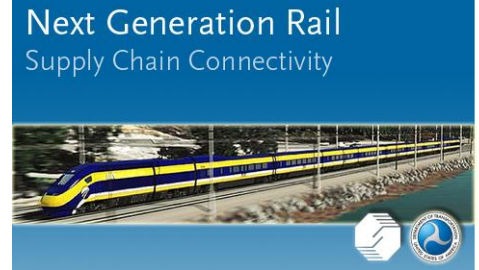
- Significant U.S. manufacturing sector interest exists in supply opportunities for production of equipment for U.S. next generation passenger rail service
  - ✓ **2012 Forum participation** very high
  - ✓ **2012 MEP Supplier Scouting** for Buy America waiver request submitted to DOT FRA for 5 foreign-produced, 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





# DOT – MEP Partnership

## *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*



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- 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>

