



THE WHITE HOUSE
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The Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022

Release of Historic Industrial Base Reports by Seven Federal Agencies Caps Off a Year of Action Fortifying America's Supply Chains

One year ago, President Biden signed Executive Order 14017 directing an all-of-government approach to assessing vulnerabilities in – and strengthening the resilience of – the United States' critical supply chains. Within six months of taking office, the Administration completed a comprehensive review of the supply chains for four critical products, identified solutions to secure those supply chains against a wide range of risks and vulnerabilities, and established a first-of-its-kind Supply Chain Disruptions Task Force (SCDTF) to address the challenges arising from a pandemic-affected economic recovery.

These actions are contributing to a historic recovery in American manufacturing and industrial strength. During President Biden's first year in office, the economy added 367,000 manufacturing jobs – the most in nearly 30 years – manufacturing as a share of U.S. Gross Domestic Product (GDP) returned to pre-pandemic levels, and companies have announced major new investments in American manufacturing. American ports also moved a record amount of cargo, and inflation-adjusted retail inventories – excluding autos – surged 5 percent in 2021 compared to the previous year, ensuring retailers' shelves were fully stocked for a record-breaking holiday season. The progress made rebuilding American supply chains contributed to the fastest job growth in history, the fastest economic growth in nearly 40 years, and a faster recovery than every other country in the G7.

Today, on the one-year anniversary of President Biden's executive order, seven cabinet agencies are publishing reports identifying key weaknesses in some of the nation's most crucial supply chains, and devising multi-year strategies to address those weaknesses. The White House is also publishing a capstone report that provides an overview of the key actions the Biden-Harris Administration has taken over the past year to reduce the vulnerability of U.S. supply chains across a range of key sectors. And in the coming months, a number of federal departments and agencies, including the Department of Commerce and the Department of Labor (DOL), will host regional summits that will bring together stakeholders to discuss opportunities to align regional economic development strategies with the national supply chain strategy.

Building on the conclusions outlined in these reports, the Biden-Harris Administration is announcing additional, concrete actions it will take this year to build long-term resilience across critical supply chains and formally institutionalize supply chain resilience throughout the Federal government. Central to this effort is implementing the Bipartisan Infrastructure Law (BIL), which is our nation's most significant investment ever in modernizing the transportation systems on which our supply chains depend. Looking forward, with the historic investments included in the landmark America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (COMPETES) Act, the United States

Innovation and Competition Act (USICA), and President Biden’s Build Back Better Agenda, these actions will strengthen our supply chains, grow domestic manufacturing, enhance our domestic workforce with a focus on good, union jobs, and help us outcompete China and the rest of the world. Specifically, the Biden-Harris Administration will:

Put the U.S. Economy on a Path Towards Long-Term Resilience Across Critical Supply Chains:

Since his first day in office, President Biden has focused on an industrial strategy to address near-term disruptions linked to the global pandemic, revitalize our manufacturing base, strengthen critical supply chains, and position U.S. workers and businesses to compete and lead globally in the 21st century. To date, the SCDTF’s whole-of-government actions have contributed to a more than 70 percent decline in long-dwelling containers cluttering the docks at our two largest ports. These actions have also produced new supply chain partnerships between the automobile and semiconductor industries. And, they have helped secure \$1 billion in American Rescue Plan Act (ARP) funding to expand meat processing capacity to promote competition and reduce prices for consumers. Because of the Biden-Harris Administration’s commitment to domestic industrial revitalization, American companies are also betting on the United States again. In just the last year, companies have announced nearly \$200 billion in investments for semiconductor, electric vehicle, and battery manufacturing in the United States. But there is more work to do to build long-term resilience. In addition to working with Congress to enact the historic, bipartisan COMPETES/USICA legislation and the President’s Build Back Better Agenda, the Biden-Harris Administration will:

- **Propose a new domestic manufacturing initiative through the Export-Import Bank to strengthen U.S. manufacturing exports.** Too many American manufacturers – especially small- and medium-sized ones– struggle to obtain the financing they need to expand their operations and compete for global sales. As the official export credit agency of the United States, the Export-Import Bank (EXIM) is well positioned to address this issue, supporting jobs in America along the way. This Spring, EXIM’s board will vote on a new domestic initiative, including providing financing priority to environmentally beneficial, small business, and transformational export area transactions, including semiconductors, biotech and biomedical products, renewable energy, and energy storage. This initiative will help America win the future by revitalizing American manufacturing, improving the resiliency of our supply chains, and leveling the playing field for American companies competing in overseas markets.
- **Expand access to capital for small manufacturers.** Even before the COVID-19 pandemic, too many small businesses struggled to access the capital needed to grow and compete. Through new and existing programs at the Department of the Treasury and the Small Business Administration (SBA), the Biden-Harris Administration will unlock tens of billions of dollars for small manufacturers. Specifically, \$10 billion in ARP funds deployed by the Treasury Department under the new and improved State Small Business Credit Initiative (SSBCI) will be leveraged into more than \$70 billion in additional lending and investment for small businesses, including small manufacturers. Nearly a quarter of funding from the last round of SSBCI supported manufacturing companies. To ensure small manufacturers can access this program, the Treasury Department will convene state, local, territorial, and Tribal governments this Spring to share ideas and highlight best practices, building to a roundtable of elected officials and other stakeholders later this year to highlight accomplishments. SBA will also promote and prioritize licenses for Small Business Investment Companies (SBICs) committed to providing capital to domestic small business manufacturers. SBIC

fund managers have financed over \$14 billion in manufacturing-related businesses over the last decade, representing 24 percent of total dollars invested through the program during that period.

- **Advance the technological leadership of both small and large manufacturers.** U.S. technological leadership remains critical to building greater long-term resilience and global competitiveness, including innovations in manufacturing. The Administration will host a series of roundtables with the 16 Manufacturing USA institutes focused on scaling innovative technologies, promoting sector-based regional workforce initiatives, partnering with unions, and supporting small- and medium-sized suppliers, to develop specific proposals for how the institutes can strengthen our supply chains. SBA will also host the inaugural America's Seed Fund Start-up Expo to support Small Business Innovation Research (SBIR) awardees seeking to access resources and assistance they need to help them commercialize and manufacture innovative technologies addressing critical supply chain challenges. Additionally, SBA will establish a committee of industry leaders to advise on transformative inventions and innovations from U.S.-based startups and established small businesses, as well as vulnerabilities in commercializing and financing domestic innovation.
- **Leverage the Bipartisan Infrastructure Law to move critical goods from ships to shelves faster and more affordably.** Outdated infrastructure and the COVID-19 pandemic have strained the capacity of the entire goods movement supply chain, resulting in unprecedented snarls in global freight and logistics supply chains. Recognizing the importance of port investments for U.S. competitiveness, President Biden's BIL is the single largest Federal investment in our ports in U.S. history. The Department of Transportation (DOT) is announcing the opening of the \$450 million Port Infrastructure Development Grant program, the first and only Federal grant program wholly dedicated to investments in port infrastructure. In the coming weeks, DOT will also release notices of funding opportunity for the BIL's INFRA, MEGA, CRISI, and grade crossing grant programs, which will fund a diverse set of transportation infrastructure projects of regional and national significance, including those that support the movement of freight and improve supply chain resilience. And, DOT will develop and issue revised State Freight Plan Guidance that incorporates updated requirements from BIL and requires consideration of cargo flows, the impacts of e-commerce, and supply chain resilience in directing BIL funding.
- **Invest in sustainable domestic production and processing of critical minerals.** From rare earths in our electric motors and generators to the carbon fiber used for airplanes, the United States must ensure we are not dependent on foreign or single sources for critical minerals. To that end, this week the Biden-Harris Administration [announced plans](#) that will expand domestic rare earth processing; strengthen the National Defense Stockpile; [update mining regulations](#) to ensure sustainable and responsible practices; and issue recommendations for [comprehensive reform](#) of outdated mining laws. Through the BIL, the Department of Energy (DOE) will also demonstrate the feasibility of a full-scale integrated rare earth element extraction and separation facility and refinery from mine waste. Today, as part of the Mining Innovations for Negative Emissions Resources (MINER) Program, DOE is also releasing a \$44 million funding opportunity to provide commercial-ready technologies that give the United States a net-zero or net negative emissions pathway toward increased domestic supplies of copper, nickel, lithium, cobalt, rare earth elements, and other critical elements required for a clean energy transition. These and other efforts to secure a reliable, sustainable, and diverse supply of critical minerals and materials will help the United States meet its climate goals while creating good paying jobs and boosting U.S. competitiveness.

- **Leverage the American Rescue Plan to jumpstart a more competitive, innovative, and resilient meat and poultry supply chain.** Over the last few decades, the meat and poultry processing sector has become dominated by a handful of large companies that control most of the business and most of the opportunities—raising prices and decreasing options for American families, while also squeezing out small businesses and entrepreneurs. To increase competition and create more options for producers and consumers, the Department of Agriculture (USDA) is taking the next steps outlined in its [comprehensive action plan](#) to create a more diverse and resilient supply chain, supporting farmers, ranchers, and workers alike. This action plan includes dedicating \$1 billion in American Rescue Plan funds to expand independent processing capacity. At a press conference this morning, USDA will announce the opening of applications for the first tranche of grants for new processing capacity and detail a partnership with DOL’s Goods Jobs Initiative to support the food processing workforce. In the weeks ahead, USDA will also announce \$10 million in technical assistance funding to establish an initial network, with additional efforts to follow, for a total of \$25 million for technical assistance. Through that partnership, the agencies will improve workers’ access to information about their rights, engage with employers to improve job quality and workforce pathways, support workforce development such as Registered Apprenticeships, and provide technical assistance on grants, contracts, and other investments intended to improve job quality.

Institutionalize Supply Chain Resilience Throughout the Federal Government:

Supply chain resilience must become a lasting focus for businesses and governments alike. In addition to the SCDTF, which has broken down silos and coordinated collaboration between agencies to respond to supply chain disruptions, the Administration has begun to formally institutionalize supply chain resilience throughout the Federal government. Earlier this month, DOE announced an internal realignment to effectively deploy more than \$60 billion in BIL funding for clean energy infrastructure and deployment. The Department of Health and Human Services (HHS) announced a new dedicated public health industrial base expansion and supply chain management office. And, as highlighted above, DOT will now work with states to include supply chain resilience in their State Freight Plans, so that state-led infrastructure planning and investments bolster the resilience of the entire goods movement chain – across ports, trucking, rail, and warehousing. To build on this progress, the Administration is announcing new actions to institutionalize supply chain resilience throughout the Federal government. Specifically, the Biden-Harris Administration will:

- **Bolster the American manufacturing of critical goods through new reforms under the Buy American Act.** President Biden believes that when the U.S. government spends Federal dollars, it should buy American-made products. During his first week in office he issued Executive Order 14005 to close loopholes and raise standards in the Buy American rules that govern Federal contracts. The White House Office of Management and Budget will soon issue a new Buy American rule that will create a new category of critical products that will be eligible for enhanced price preferences. By allowing the Federal government to pay an additional premium for critical domestic-made products and components essential to the Administration’s supply chain resiliency strategy, the new rule will create a steady source of demand that will help catalyze domestic production and bolster thin supply chains. Once implemented, American manufacturers will have an easier time securing the government contracts they need to expand their operations and create good-paying jobs.

- **Fully establish a Defense Production Act Investment Program to build and expand the health resources industrial base.** The United States remains critically dependent on imports for a range of key pharmaceutical products and active pharmaceutical ingredients—the primary ingredients of generic drugs. During the pandemic, HHS established a Defense Production Act (DPA) office to ensure supply chain scarcity and shortages did not impede national efforts to combat COVID-19. Now, HHS will fully establish a DPA Title III Program to provide loans, grants, and other financing to build and expand the health resources industrial base. This program will ensure timely availability of essential domestic industrial resources; establish the necessary authorities and mechanisms to leverage the proposed Supply Chain Resilience and Crisis Response Office for management of the Public Health Industrial Base; support extended long-term contracts, on-hand inventory, and vendor-managed inventory; and ensure sufficient manufacturing capacity.
- **Bolster clean energy manufacturing through implementation of the Bipartisan Infrastructure Law.** As part of the first ever Energy Sector Industrial Base strategy, *America’s Strategy to Secure the Supply Chain for a Robust Clean Energy Transition*, DOE is executing dozens of lines of work to accelerate domestic clean energy manufacturing. These include creating a new Manufacturing and Energy Supply Chains Office to strengthen and secure the energy supply chains needed to modernize the nation’s energy infrastructure and support the clean energy transition. Amongst many other activities, DOE is establishing four Regional Clean Hydrogen Hubs and supporting the electric-vehicle battery materials supply chain.
- **Restore U.S. global leadership on supply chains.** President Biden is committed to working with U.S. trading partners to address the immediate supply chain challenges from this unprecedented economic recovery and building long-term supply chain resilience for the future. Later this year, the Biden-Harris Administration will host a Ministerial-level Summit on Global Supply Chain Resilience to address near-term bottlenecks and tackle long-term challenges, building on the Summit on Global Supply Chain Resilience that President Biden held in October with the European Union and over a dozen like-minded countries. The Biden-Harris Administration will also partner with North American trading partners to prepare for future crises and mitigate resulting supply chain disruptions. Through the U.S.-Mexico High-Level Economic Dialogue, the United States and Mexico will establish a joint list of critical sectors involved in cross-border supply chains and create procedures to maintain continuity of supply chains in the event of times of crisis. The Competitiveness Committee of the U.S.-Mexico-Canada Agreement will also work to define essential industries and effective approaches for supply chains, including through information-sharing activities, providing advice and recommendations, identifying priority projects and policies, and designating a contact point for these efforts. And, as agreed to at the North American Leaders Summit in November, the United States, Mexico, and Canada will hold a trilateral supply chain coordination meeting by Summer 2022 to explore trilateral opportunities on supply chains based on results from the bilateral supply chain working groups.

There is still more to be done. To build on these investments and spur more private-sector investment in the United States, the President is committed to passing comprehensive competitiveness legislation like the COMPETES/USICA bills put forward in the House and the Senate to strengthen our supply chains, grow domestic manufacturing, and help us outcompete China and the rest of the world. This legislation, combined with the critical investments included in the Build Back Better Act, will help to deliver on the

President's mission to expand the productive capacity of our economy and lower costs for families.

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