



Monday, June 22, 2020
Maryland Department of Commerce
CALL-IN ONLY
2:00 p.m. – 4:00 p.m.

Meeting Minutes

Attendees:

Delegate Ned Carey
Suzy Ganz
Saundra Lamb
Bobby Patton
Christine Ross
Tom Sanders
Scott Simmons
Phil Tulkoff
Senator Katherine Klausmeier
Dr. Willie E. May
Jim Strong
Patrick Nolan

Company

Maryland General Assembly
Lion Brothers Absent
Semforex
Patton Electronics
Maryland Chamber of Commerce
Coherent Technical Services
McCormick & Company
Tulkoff Food Products
Maryland General Assembly
Morgan State University
United Steelworkers District 8
Northrop Grumman

Ex-Officio Members:

Kelly Schulz

Secretary, Department of Commerce

Guest(s)

Mike Kelleher, Maryland MEP

Commerce Staff:

Todd Sabin
Heather Gramm
Sarah Sheppard
Connie Page

I. Call to Order

At 2:01 p.m. Heather Gramm called the meeting to order and welcomed members and guests. A quorum was present.

II. Roll Call

Attendance taken by Heather Gramm.

III. Review and Approval of March 30, 2020 Minutes

Upon motion duly made and seconded, the minutes of the March 30, 2020 MMAB meeting were approved unanimously. 1st Pat Nolan 2nd Scott Simmons.

IV. Secretary's Schulz Updates

The Secretary thanked the Board Members, Commerce staff, and the manufacturing community for the partnerships that have been created the past three months during the COVID-19 response. She provided comments about the State's COVID response and thanks the manufacturing community that responded to the call for PPE production and applied for the COVID-19 Manufacturing Innovation Grant program. The Secretary is looking forward to getting out in the field and thanking people in person and understanding the continued need for innovation at lots of difference level. She commented on the importance of Maryland's supply chain to the state's economic recovery. Small manufacturers are critical in being able to supply large manufacturers and being to maintain partnership and increasing manufacturing output in general in Maryland is critical to the overall success and recovery.

V. Maryland Manufacturing Update – Todd Sabin

Todd updated the board on Manufacturing Policy Academy project. He went over two documents that will be used to utilize the promoting these strategies. The first is the manufacturing survey, and asked the Board to review the 25 questions to make sure they are realistic, achievable and people would want to report on. The second attachment was a report developed by the Commerce Research Team on the impact of the manufacturing sector on the state's economy. Heather reminded the board members that the survey they put together for the Manufacturing Policy Academy, includes the MMAB Survey that was to go out last summer. This survey is our attempt to combine the two efforts. If the Board feels like there is anything you would like to add feel free to email Heather or Todd. Distribution of the survey is still on hold until the timing is more appropriate, and Commerce welcomes the MMAB's feedback on timing.

VI. Mike Kelleher – Overview of the Maryland Manufacturing Network Portal

Mike Kelleher with Maryland MEP gave overview to the Board on the Maryland Manufacturing Network portal, which launched a few months ago in partnership with Commerce. As the coronavirus pandemic (COVID-19) unfolded, health care providers, first

responders and the State of Maryland sought help to source Personal Protective Equipment (PPE) to enable health care workers and essential employees to safely care for patients and perform their duties. At the same time, manufacturers have reached out to seek guidance on how they can contribute to the cause.

In support of this, the Maryland Manufacturing Network was created as a platform for suppliers to share their current resources and capabilities and for buyers to identify these suppliers and share their current and upcoming needs. To date they have nearly 500 supplier manufacturers in the systems and over 5,000 introduction connections that have been made. The platform is not to be a procurement platform but to be a match making platform. They track the interaction and engagements as they go through the process. There are 400 supplier buyer connections that have actually come to fruition. They are at the point now where we are starting to track and receive information on how big and what the purchases were. Mike is willing to give a demo to anyone interested. The portal can be found at marylandmanufacturingnetwork.com.

Board Open Panel Discuss: COVID-19 Response Q&A – Heather Gramm

Heather opened the floor for discussion to Board Members to see what their companies are experiencing as a result of COVID, and what MMAB should be focused on over the next 12 months. The Board came up with the following suggestions:

- Advocate with the Federal Government on future stimulus and recovery policy issues. For example, some of the changes that the federal government made to the PPP program were harmful to small businesses.
- Adjusting the work environment to accommodate the wearing of masks, social distancing and keeping workers safe has been a significant challenge in the manufacturing operations. There have also been shifts in people's buying habits that companies have needed to adapt to, such as purchasing food more online.
- Large inventory is very limited in retail. The level of manufacturing demand is very limited. People are working with old inventory. It's a continuing balancing game. Unemployment benefit supplement end in July people are hurting and it's a challenge getting people to come back to work. After PPP runs out it will cause businesses to pivot to short time business reduction. Manufacturing is in a transitional situation right now. There is a need to rethinking manufacturing strategies based upon digital manufacturing and having it as a larger inclusive base effort.
- Distributors are sitting on stock and most customers are not buying anything, and not placing new orders. Export is hurt more than domestic. New orders in Europe are down 65% compared to this time last year. Same complication with PPP we were early in and

followed all the rules we spent all the money basically acting as a proxy for unemployment benefits because we really didn't have the work to do. So that money is basically exhausted, which will cause furloughing a lot of people we hired back. Which will be another problem for the state's unemployment.

- The capital market is a little bit reluctant to issue loans, particular with medium size or smaller vendors. Anything the state can do to help stand behind the smaller organizations to help them with financing on any capital equipment help other companies like mine would be great. Even companies that are doing well are having a hard time accessing capitol because everyone is nervous. The big companies don't have any problems, it's the smaller and medium companies their demands are higher because the effects of Covid-19.
- Maryland Work Share program was very effective for some manufacturers. There was mixed success with this program.
- There has been a paradigm shift that they have seen when they look at the capability of working from home. They see it is something that will be here for a while and looking for a long term strategy. Bricks and mortar for office buildings are going to start to be questioned about do we really need the entire workforce in a building together or can it be connected virtually using sharing tools like skype and zoom.
- We will see the trend with the consolidation of the assembly manufacturing operations with some of the office space in order to cut down on real estate. This will have implications on zoning for city and state levels.
- Digital media

VII. Discussion of Agenda Items for Next Meeting

The next meeting is scheduled for September 14, 2020.

VIII. Adjournment of MMAB Business Meeting

There being no further discussion, the meeting was adjourned at 3:10 p.m. by Heather Gramm.