



March 7, 2022

To Whom It May Concern:

**HB 1384: Economic Development - Industry 4.0 Technology Grant Program (Maryland Manufacturing Innovation Act of 2022)**

This is a letter of support for HB 1384.

This bill will help grow manufacturing in Maryland and help to create new jobs. It will strengthen the existing manufacturing base by providing support to upgrade with newer technologies need to compete against foreign competitors.

In other states, as well as other countries, manufacturers are supported to help maintain strategic advantages. Manufacturing supplies high paying jobs to workers of all levels. They also provide a great lift in the tax base by providing an incredible multiplier for every dollar that comes to the state. Manufacturers purchase IT services, insurance, accounting services, transportation services, etc. These other entities pay taxes and provide additional employment.

In today's world, manufacturers need to be able to react quickly and make changes to meet demand. Industry 4.0 is changing the way manufacturers run, but it demands incredible investment.

No matter the product, manufacturing companies rely upon equipment, tools, and other fixed assets to keep operations running smoothly. Internet/Intranet technologies provide manufacturers access to the real-time data and insights needed to make smarter, faster decisions about the business. The data ultimately boost the efficiency of the entire operation. Collected by sensors, interpreted with analytics, and plugged into predictive models, data can lead to energy savings by spotting inefficient processes, optimizing production and logistics scheduling, and anticipating maintenance needs. Data also allows manufacturers to adjust demand to energy price and availability, refine temperature management and even reduce R&D costs by enabling virtual testing and modelling of machines, processes, and plants.

These efficiencies will allow manufacturers to be healthy in Maryland and keep needed jobs. Other states are offering large subsidies to lure manufacturers outside the state. It is much more cost effective, efficient, and financially prudent to keep manufacturers here in our state.

For this reason, we fully support the bill.

The bill helps us to invest more in our Baltimore manufacturing facility, thus making us more competitive. This investment will save and/or add new jobs, as well as allow for continued payments of taxes and other support to the community.

We hope the legislators can support us by passing the bill.

CHESAPEAKE SPECIALTY PRODUCTS, INC., Inc. is a leading U.S. manufacturer of sand additives, ceramic sands, and industrial coatings for foundry use. We produce the world famous sand additive that eliminates casting defects. SphereOX® is the only spherical foundry sand additive developed and produced specifically for the foundry industry. It is a synthetic engineered sand additive, consistently better than other sand additives or natural oxides.

We currently export all over the world, with major customers in USA, China, Germany, France, Spain, South Korea, Mexico, Chile, Peru, Brazil, etc. Our customers are large to medium foundries supplying customers like BMW, GM, Ford, Toyota, Caterpillar, Komatsu, etc. Our firm was founded in 1989. We are also a member of the American Foundry Society.

With kind regards,

Kenneth Sanchez  
President