

Senate Bill SB0906/House Bill 0622

February 21, 2023

Dear Legislators,

I am writing in enthusiastic support of Senate Bill SB0906/House Bill HB0622, an important piece of legislation entitled “Economic Development – Industry 4.0 Technology Grant Program”.

Manufacturing has always presented a myriad of opportunities for a sound economic system: jobs, tax revenue and a balanced state and national economy. Recent COVID supply chain disruptions taught us all the importance of re-considering the importance of U.S. manufacturing as a strategic resource. As many know, because manufacturers rely on raw materials to make their product and often, distribution and retail to sell their products, manufacturing has a unique multiplier where the primary manufacturing job and tax revenue is not the only job or revenue created. Rather, there is a multiplier effect for both jobs and tax revenue.

It is at this juncture that new tools such as robotics, automation, advanced materials, sensors and software have enabled manufacturing to become more advanced and flourish. These are tools that enable companies such as our own to create new enterprises and reshore manufacturing in a new and different way that enables States to capture new revenues and create high value jobs.

Industry 4.0, this next generation of manufacturing enables the U.S. to compete on a global scale, rebalancing where and how products can be made, reducing risk and threats from geopolitics to epidemics. Importantly, states such as Maryland, who lead in innovation and technology but lag in legacy manufacturing have an opportunity to compete with other states that traditionally relied on low-cost labor expanded. Instead, Maryland has a unique opportunity: to support the adoption of new technologies and in doing so, expand the opportunity for manufacturing in the State of Maryland. Advanced manufacturing brings high value to companies, communities and consumers. It creates a pathway for employees with next gen skills to create value and increase earnings; it brings the same opportunity for tax revenue.

However, with new technology adoption comes investment and risk for manufacturers. Adoption requires hardware, software, and the knowledge of how to successfully work through change management. Its benefits are extensive however, it is not easy for legacy manufacturers to do so. Maryland’s manufacturing is not concentrated in many large companies, rather, Maryland manufacturers are made-up of many small to medium enterprises, where technology adoption will mean the difference between future success and failure. The bipartisan Commission, led by Delegate Lily Qi and Senator Chris West have studied states like Maryland which have successfully led programs supporting the adoption of new technologies for manufacturing and understand the tremendous impact that technology adoption can have on present and future competitiveness and growth. Endorsing Senate Bill SB0906/House Bill HB 0622 provides the foundation for an effort to assist manufacturers and the State of Maryland as together, we pivot to the future of manufacturing and in doing so, increase opportunities for manufacturers and the State of Maryland to succeed. Thank you for your consideration.

Susan J. Ganz, CEO

Lion Brothers Company/LG Group Inc.

I am writing to you today with a heart filled with passion and determination, to express my fervent support for Senate Bill SB0906/House Bill 0622, entitled "Economic Development - Industry 4.0 Technology Grant Program". The stakes are high, and the time is now, for us to come together and embrace this revolutionary technological shift that is sweeping through the manufacturing industry. The future of Maryland's economy and the livelihoods of our citizens depend on it.

The world we live in today is rapidly changing, and those who are not prepared to adapt and evolve will be left behind. Our great state of Maryland is at a crossroads, we have the opportunity to transform our manufacturing industry and make it the envy of the nation. The adoption of cyber-physical systems and Industry 4.0 technologies in smart factories is a game-changer. It allows for flexible production, improves supply chains, and leads to more efficient business management, with significant technological, economic, and social impacts. We cannot afford to miss out on this transformative economic growth.

However, this opportunity comes with threats to the future of manufacturing. Rapid changes in technology, changing standards, reduced product lifecycles, and competition between countries are just a few of the challenges that we face. We must come together as one, united and focused, to tackle these challenges head-on.

The time has come for us to pool our resources, expertise, and talents, to create a comprehensive plan for the adoption of these Industry 4.0 technologies. This plan must involve all manufacturing stakeholders, including business leaders, education and training entities, and state representatives. We must identify the technologies that will impact transformation, enhance work skills and employ solutions to support manufacturers' transition into the new digital economy. The preliminary work was achieved through the formation of a workgroup, which worked tirelessly to ensure the success of Maryland manufacturing.

The workgroup has done an outstanding job of researching and debating the best way forward. Their report and key recommendations have been submitted to Governor Moore as well as the legislature. The recommendation to provide a fund to help small and medium-sized manufacturers implement this technology is a crucial step in the right direction.