1. The following subcommittee members were in attendance on the call:
   - Chair: Larry Shaw, MMG Insurance
   - Jesse Connolly, Office of Representative Chellie Pingree
   - Bob Dorko, Sappi
   - Steve Schley, FOR/Maine
   - Matt Schlobohm, AFL-CIO
   - Staff and Support Experts:
     - Mary Grace Schley, Maine Department of Economic and Community Development
     - Richard Qualey, Intern, University of Maine School of Law
     - Hannah Carter, UMaine Cooperative Extension
     - Larry Robinson, Maine Manufacturing Extension Partnership (Maine MEP)
     - Lisa Martin, Manufacturers Association of Maine (MAME)

2. Sector Overview:
   - $5.9 billion direct contribution to the Maine GDP in 2017
   - 56,400 advanced manufacturing jobs in Maine in 2017 at an average wage of $58,100
   - $21.24 billion direct and indirect economic contribution to Maine through value-added manufacturing
   - Manufacturing Sub-Sectors:
     - Boat Building
     - Biotechnology/Medical Device
     - Composites
     - Electronics
     - Food/Beverage Industry
     - Metal Fabrication/Precision Manufacturing
     - IT/Technology Based Companies
     - Plastics/Bioplastics
     - RF/Wireless Communications
     - Semiconductor
     - Textile – High Performance/Cut & Sew
     - Wood Products

3. Manufacturing Sector Pandemic Impacts:
   - 98% of companies that responded to a survey circulated by MAME indicated that they have remained open and operating during the pandemic.
     - Maine manufacturing companies were deemed essential and were not mandated by the State to shut down. Not all states deemed manufacturing essential.
   - Manufacturing sectors experiencing the worst impact:
     - Boat building industry: sharp decline in demand for pleasure and lobster boats
     - Wood products industry
     - Metal products industry: the impact on this sub-sector is largely dependent on the end-market of the manufactured part
   - MEP and MAME have seen manufacturers fall into three categories of impact:
     - High priority businesses – it is unclear if and how they will survive the crisis.
     - Medium priority businesses – future orders have been or likely will be negatively impacted by the crisis.
Low priority businesses – those companies that are experiencing at least a temporary positive impact or have been steady. Some companies have pivoted to manufacturing PPE and have recorded solid production months.

- MEP, MAME, and the University of Maine worked with companies to quickly transition to making PPE at the start of the pandemic.
  - Maine transitioned very well compared with many other states.
- Some manufacturing companies have experienced supply chain issues.
  - Note: trade with Canada has been complicated by the closure of the border.
- The sector is concerned about coming impacts of a large PPE supply coming onto the U.S. market, given the investments Maine manufacturers have made in pivoting to making PPE. There is hope that the disrupted PPE supply chain will reenergize efforts around domestic trade and import substitution.

4. Other Considerations:
- The Work Share Program allows for a company to reduce an employee’s hours, and unemployment insurance compensates the employee for the reduced hours while the company works through a downturn. This program allows companies to retain skilled employees while providing employees with wage protection. Can this program be better utilized and made more visible to employers?
  - Employers are already inclined to do just this, because they do not want to lose their highly trained employees.
- There are a number of manufacturing training efforts out there, but they need to be better coordinated to fit training efforts to manufacturing needs. Efforts to reach younger students and educate them on careers in manufacturing are also helpful.
- Workforce Sharing – where employees from companies with reduced capacity will temporarily work for companies with increased capacity.
  - This has worked effectively in some states but has not yet been done successfully in Maine given questions around bringing back employees, liability, wages, etc.
- There is potential for matchmaking efforts between not only laid off manufacturing employees, but also others (such as hospitality employees) to find new careers in manufacturing.

5. Follow-Up Information Requested:
- Aggregated report of MEP & MAME survey data from Maine manufacturing companies – Lisa Martin

6. Stabilization Recommendations from Industry:
- Assistance with retaining employees and competing with the expanded unemployment insurance for companies looking to hire new employees.
- Stimulus – In the short term, many have found the Paycheck Protection Program and other programs helpful. Some need direct assistance.
- Innovation investments that help companies improve products and processes (the MTI model) and modify operations to adjust to new market opportunities.
- Comprehensive assistance with keeping workers safe in the manufacturing environment, including a plan for responding to an outbreak, particularly in a small to medium sized manufacturer – such as a rapid response task force to help mitigate a COVID-19 outbreak and prevent total shutdown of operations.
Note: Must understand OSHA liability if an employee gets sick. (Federal)
• Workforce training/development coordination across industry segments.

7. Plan/Path Forward:
• CARES Act - Maine MEP has been allocated $287,000 in funding to do a sector assessment in partnership with MAME and the UMaine Advanced Manufacturing Center and will keep this Subcommittee informed of any developments.
  o MMEP is seeking additional MTI funds to match CARES Act funding.

8. Next Meeting: Friday, June 12, 2020, 9:15 am – Fisheries Deep Dive
• Panelists: Marine Resource Economy Initiative Co-Chairs
  o Curt Brown, Ready Seafood
  o Bill Mook, Mook Sea Farm