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GENEDGE Leverages Federal CARES Act Appropriation to Accelerate Statewide Response for Reshoring Critical Industries in Virginia

MARTINSVILLE, VA.— GENEDGE announced this week that its proposal for a grant from the GO Virginia Economic Resilience and Recovery Program, with GO Virginia Region One serving as the lead applicant and the endorsement of all nine GO Virginia Regions, has been approved by the GO Virginia State Board.

Brian Ball, Secretary of Commerce and Trade stated – "The GENEDGE project supports the priorities and goals of the GO Virginia program and the Economic Resilience and Recovery effort. Not only will this project encourage the growth and retention of high-wage jobs and help Virginia manufacturers increase revenue and enter new markets, but it will also help reduce supply chain risks for Virginia's health care system. This is a significant statewide effort, and we applaud the leadership of the GO Virginia Region One Council, as well as the eight other councils collaborating in support of this project."

This grant will support GENEDGE and its partnering agencies as they initiate a two-year program to invest nearly \$4.5 million in strengthening Virginia manufacturing statewide. The GO Virginia Economic Resilience and Recovery Program was established in April 2020 by the GO Virginia State Board. This is the first statewide program supporting provisions to back strategic initiatives in response to the economic crisis caused by the COVID-19 pandemic. This effort will support 50 companies to create or retain 500 jobs and provide a nearly \$100 million boost to the economy. Efforts will also support rebuilding Virginia's medical and non-medical personal protective equipment (PPE) supply chain.

Brian Moran, Secretary of Public Safety and Homeland Security said – "We recognized early in the COVID-19 response the need for access to a dependable PPE supply chain. Unfortunately, the global supply chain had collapsed so our strategy included a significant effort to identify and support Virginia PPE industry development. We appreciate GENEDGE's tireless support to help us expand our access to PPE right here in the Commonwealth."

Bill Donohue, GENEDGE President and Executive Director, explained that the challenges posed by the COVID-19 pandemic serves as a stark reminder of the critical importance of having a reliable, U.S.-based supply of critical products for the health care sector and other industries.

"The majority of PPE is made in China," said Donohue. "As worldwide demand surged, we saw that countries without an internal supply were at risk of severe shortages. As a result, GENEDGE has two broad goals for this program: reduce our state's risk of shortages in critical supplies, such as PPE, and to leverage advanced manufacturing technologies to bring quality jobs back to Virginia, not only in the production of medical PPE, but in other industrial sectors where reshoring supply chain components is advantageous."

In addition, GENEDGE is leveraging its existing efforts in response to the COVID-19 pandemic – including a digital portal (supplychain.genedge.org) to connect Virginia manufacturers and engineering firms with tools, resources and supply chain connections – to prepare for the program, with information for manufacturers as well as an online supply chain connector designed to help companies interested in making PPE find partners within the state.

About the Program

In its first year, the program will focus on helping participating Virginia manufacturers to shift their operations to emphasize PPE production. An advisory committee will be established to review program execution, investigate other products and industries, assess supply chain risks, and determine additional areas of program focus.

The program also includes a research component to analyze the risks of supply chain disruption in various industries, and related factors such as market size, product demand, and the international competitive landscape. For manufacturers interested in producing PPE for critical industries, this partnership includes custom services to help address regulatory requirements, develop prototypes, implement new processes, and apply advanced digital manufacturing technologies.

This multi-pronged approach will draw on the expertise of more than a dozen agencies and organizations involved in manufacturing, economic development, technology, and health care.

About the Management and Delivery

The two-year program, managed by GENEDGE and delivered by partnering agencies include Go Virginia, the Virginia Manufacturers Association (VMA), the Virginia Economic Development Partnership (VEDP), the Virginia Hospital & Healthcare Association (VHHA), and the Virginia Department of Emergency Management (VDEM). Below are some comments from the agencies.

Mike Quillen, Chair of GO Virginia Region One Council – “With advanced manufacturing being a target industry in Region One, the Regional Council felt this project could have a positive impact on the manufacturers within our region. We feel that scaling up clusters and re-shoring specific markets will be beneficial not only to Region One but to every region across the Commonwealth. We are excited about the opportunity to serve as the lead region on this project, and we look forward to helping move our manufacturing industry forward.”

Shannon Blevins, Vice Chancellor of the Office of Economic Development at the University of Virginia’s College at Wise – “Southwest Virginia has a manufacturing culture which has served as a strong foundation to the region’s economy for decades. In developing the Growth and Diversification Plan for GO Virginia Region One, it was clear that manufacturing is and will continue to be one of the four primary industries on which the region can continue to build. The GENEDGE project will support the development of new markets and product lines thereby strengthening the position of the manufacturers throughout Southwest Virginia and the Commonwealth. Region One was pleased to take the lead in cultivating statewide support for such an initiative and we look forward to working with the other regions across the state during the implementation.”

Stephen Moret, VEDP President and CEO – “During this critical time of economic recovery for the Commonwealth, VEDP is looking forward to partnering with GENEDGE and our other state partners to identify supply chain opportunities for Virginia manufacturers in specific target industries with the goal of ensuring available capacity for the future. The pandemic crisis has highlighted certain gaps to be addressed, and our collaboration through this program to vet and prepare Virginia manufacturers to service these voids will help mitigate risk of future supply chain disruptions.”

Brett A. Vassey, President & CEO, VMA – “Reshoring critical industries, especially PPE, is a national priority and we are committed to the partnership and collaboration with GENEDGE to bring these supply chains to Virginia.”

Sean T. Connaughton, VHHA President and CEO – “Frontline providers and caregivers in hospitals and other health care settings courageously tend to seriously ill patients afflicted with COVID-19 even though that can place them in harm’s way. So, it is crucial that Virginia has a reliable pipeline of quality PPE to ensure our health care heroes have the protective gear they to properly do their jobs. During the early day of the pandemic, many health care providers struggled to source PPE amid serious supply chain issues. That’s one reason we are thrilled to join this partnership and to leverage the knowledge and technical expertise of GENEDGE to help strengthen Virginia’s PPE supply chain while growing the economy.”

Congressional Support Appreciation

Jeff Jaycox, President of Tabet Manufacturing and Chairperson, GENEDGE Board of Trustees stated, “We are grateful for the support of manufacturers across the state who have encouraged us to move this forward. We also thank Senator Tim Kaine, co-patron for the Coronavirus Aid, Relief, and Economic Security (CARES) Act legislation in the U.S. Senate and the members of Virginia’s congressional delegation like Congressman Morgan Griffith who supported the investment in Manufacturing Extension Partnership (MEP) services, providing a necessary match for the GO Virginia investment. This program will greatly benefit the Virginia health care and manufacturing sectors.”

Senator Tim Kaine (D-VA) said, “Manufacturing Extension Partnership (MEP) centers like GENEDGE provide critical support for small and medium manufacturers. I was proud to introduce legislation to provide federal funding for MEP centers, provisions of which passed as part of the CARES Act, enabling increased support for GENEDGE. Investing in these MEP centers is an important part of our efforts to backstop the economy, particularly at a time when we need to boost domestic manufacturing capabilities in critical areas like medical supplies.”

Congressman Morgan Griffith (R-VA) added, “The coronavirus pandemic reminded us of the importance of supply chains during emergencies. The domestic manufacturing of essential supplies will support access while sustaining jobs and wages in our communities. I am glad that funding from the CARES Act will have a role in preparing us to meet future challenges and bringing manufacturing back to Virginia.”

About GENEDGE

GENEDGE is Virginia’s best public resource to help manufacturing and industry innovate, compete, and grow. GENEDGE delivers consulting-based expertise and technology transfer to over 200 Virginia companies each year and is part of the Manufacturing Extension Partnership National Network™, which provides access to industry-wide services and proven, results-based solutions. For more information, please visit www.genedge.org.

About GO Virginia

GO Virginia is a bipartisan, business-led economic development initiative that is changing the way Virginia’s diverse regions collaborate on economic and workforce development activities. For more information, please visit www.govirginia.org.

For more information on the agencies quoted in this release please visit their websites:

Virginia Economic Development Partnership (VEDP) www.vedp.org

Virginia Manufacturers Association (VMA) www.vamanufacturers.com

Virginia Hospital & Healthcare Association (VHHA) www.vhha.com

Virginia Department of Emergency Management (VDEM) www.vaemergency.gov

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