July 31, 2026

The Honorable Susan Collins
Chair, Senate Appropriations Committee
413 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Patty Murray
Vice Chair, Senate Appropriations Committee
154 Russell Senate Office Building
Washington, DC 20510

The Honorable John Kennedy
Chair, Energy and Water Development Subcommittee
437 Russell Senate Office Building
Washington, DC 20510

Dear Chair Collins, Subcommittee Chair Kennedy, and Vice Chair Murray,

As a consensus-based, nonpartisan coalition of industry, labor, and nonprofits, the **Industrial Innovation Initiative (I^3)** writes to express support for critical industrial modernization funding through the Department of Energy (DOE) as you continue the FY27 appropriations process. As the Committee negotiates funding levels, we urge you not to pursue further cuts to DOE's broader portfolio of industrial efficiency, advanced manufacturing, and clean energy technology programs. These investments have historically been the bipartisan backbone of the federal government's partnership with American industry. Congress has a responsibility to ensure that DOE's applied industrial programs are resourced at a level consistent with the scale of the challenge, and the scale of what our foreign competitors are spending to outcompete us.

Following DOE's cancellation of grants awarded under the Industrial Demonstrations Program (IDP) and reallocation of funds directed by Congress through the Bipartisan Infrastructure Law away from other clean energy programs, industry is lacking market certainty and the clarity needed to continue making investment decisions in modernized domestic manufacturing.

Particularly, DOE's **Industrial Training and Assessment Centers (ITAC) program** has completed more than **22,900 assessments** and generated over **168,000 actionable recommendations** at facilities across all 50 states to date.[1] The companion ITAC Implementation Grant program translates those recommendations into real capital investment: more than **$40 million in grants have reached 219 manufacturers across 38 states**, leveraging over **$83 million in private industry co-investment,** a better-than-two-to-one private match on every federal dollar.[2]

American manufacturers do not compete in a vacuum. They compete against state-subsidized factories in China, government-backed enterprises in Europe, and aggressively incentivized facilities across Asia. Our foreign rivals are strategically pouring resources into modernizing their industrial sectors to outproduce domestic firms at a lower cost. The ITAC program is one of the most practical tools Congress has to help level the playing field, while also ensuring that the next generation of US engineers enter the workforce as highly skilled professionals with extensive, on-site industrial experience. Specifically, the program:

- **Cuts costs for manufacturers**. Recent assessments identify energy and operational savings of 10–15 percent, directly improving margins and helping small-and medium-sized manufacturers (SMMs) stay competitive without relying on ongoing federal support[3];
- **Strengthens supply chain resilience and national security**. A more efficient, modernized domestic SMM base reduces dependence on foreign production in critical industries and supports national defense;

[1] ITAC: Industrial Training and Assessment Centers
[2] Industrial Training and Assessment Center Implementation Grant Awards | Department of Energy
[3] Industrial Training and Assessment Center : University of Dayton, Ohio

- **Develops the next generation of the industrial workforce**. ITACs, housed at universities and colleges nationwide, produce highly skilled, job-ready engineers and technicians with hands-on factory floor experience, developing a crucial workforce pipeline; and
- **Lowers energy costs and improves grid reliability**. ITACs help manufacturers reduce energy waste by directly supporting affordable, reliable energy technologies for US businesses and communities.

At a time when foreign governments are aggressively and strategically investing in their own industrial bases to out-compete the United States in global markets, it is critical that we do not falter in our commitment to results-driven investments in American industry. On behalf of the Initiative and all its members and participants, we thank you for your continued commitment to American workers, manufacturers, and the communities that depend on them. We welcome the opportunity to participate in an open dialogue to further discuss how Congress can act on this important issue.

Sincerely,

The Industrial Innovation Initiative (I^3)