MANUFACTURING

Made in the USA:

End-to-End Guide to Developing Your U.S. Manufacturing Footprint

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CONTENTS

05 | **Introduction**

06 | **The Incentive Landscape: Leveraging Public Incentives for Industrial Expansion**

10 | **Building for Reshoring Success: Construction Contracts That Keep Manufacturing Projects on Track**

13 | **Pricing Stability and Supply Continuity: Strategic Contracting for Reshoring**

16 | **Private Credit and the Reshoring Wave: Financing America's Manufacturing Revival**

18 | **Clearing the Path: Environmental Permitting in the Era of Renewed American Manufacturing**

23 | **Energy Supply Considerations for Manufacturers Re-Onshoring to the U.S.**

26 | **Combatting Supply Chain Cyber Threats: Safeguarding Data and Protecting Digital Supply Chains in a Rapidly Evolving Cyber Landscape**

31 | **Where Should You Build? Labor Considerations in Siting and Expanding U.S. Operations**

Intel is investing billions in new semiconductor fabrication in Ohio. In the last five years, Eli Lilly has committed over $50 billion to expand its U.S. manufacturing footprint, announcing plans to build four new domestic sites in 2025. Apple has pledged more than $600 billion to expand its U.S. manufacturing operations over the next four years. Titans in technology, pharmaceuticals, and automotive are rapidly growing their domestic footprints.

"Made in the USA" is regaining momentum. Once a symbol of pride — or skepticism — the phrase now reflects a strategic shift toward domestic manufacturing. Companies are rethinking offshore strategies in response to global tensions, political shifts, rising overseas costs, regulatory hurdles, and hard-earned lessons from pandemic-era supply chain disruptions.

Recent policy changes — tariffs, deregulation, tax incentives — have accelerated this trend. Billions are being invested in U.S. facilities across industries, signaling renewed confidence in American manufacturing.

As companies evaluate where to expand, the U.S. deserves a fresh look. What's driving industry leaders to choose American soil?

In this series, our multidisciplinary team explores the key considerations: supply chain strategy, site selection, government incentives, build-vs.-buy decisions, financing, permitting, energy, cybersecurity, and workforce development. At this pivotal moment, we're here to help businesses lead the way — building smarter, stronger, and more resilient manufacturing in the U.S.

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Made in America: End-to-End Guide to Developing Your U.S. Manufacturing Footprint

"Made in the USA." Few phrases can evoke as much passion and controversy as these four simple words, long the stuff of political campaigns, union demands, and small-town civic pride. Recently, the phrase has found renewed relevance. Powered by shifting politics, rising global tensions, and hard-learned lessons from pandemic-driven supply chain disruptions, the U.S. is experiencing a revitalization of domestic manufacturing.

One of the current administration's core policy pillars is to revitalize U.S. manufacturing and bring back "Made in the USA" in a big way. Tariff policy is the most obvious embodiment of this initiative. But nearly all the administration's key policy initiatives – energy independence, tax reform, environmental deregulation, labor and immigration reform, and even its criminal enforcement priorities – are intended to make American manufacturing (and the American worker) more competitive and attractive relative to global alternatives. No doubt, the agenda faces significant practical, political, and economic challenges, but these policies reflect an increasingly populist and nationalistic "America first" sentiment among a significant portion of the country.

Putting domestic politics aside, there are other important reasons for a resurgence of U.S. manufacturing. Geo-political tensions, most notably the threat of China's economic and territorial ambitions, are one such reason. Whether it is from unequal access to Chinese markets, dictates that U.S. companies disclose and share their proprietary intellectual property, or the threat that essential supply chains throughout Asia are disrupted, perhaps permanently, by war, the risks are palpable. Manufacturers learned the devastating impact of supply chain disruptions the hard way during the pandemic. The Russian invasion of Ukraine and the western world's response further underscored the risk of global supply chains. Rightly wary of putting all their eggs in one basket, the "reshoring" trend emerged, punctuated by the need for supply chain redundancy. The current global trade environment begs the question whether there is a prudent and safe alternative for essential supply chains that lies entirely outside the United States. Economic factors must also be considered. Wage growth, increased regulation, and consistent "red tape" in China and other global markets have eroded the competitive advantage of manufacturing abroad instead of in the U.S. While it will take time, one would expect similar economic equalization to occur in "near-shoring" markets like Mexico. Simply put, U.S. companies are seriously questioning the conventional wisdom that it is always smarter, cheaper, and safer to manufacture abroad.

This shift is already happening. Manufacturers large and small are relocating or expanding capacity, investing billions into the domestic manufacturing sector. And we expect more U.S. manufacturers to take a hard look at whether expansion should occur in the United States or overseas and, eventually, to consider reshoring manufacturing capacity that is currently abroad.

Those companies will have a lot to think about, and that is the point of this series. Key members of our Manufacturing Sector will share their experience and perspective on the critical issues that will arise, including how best to restructure existing supply chains and commercial relationships as part of this transition; where to locate new manufacturing facilities; how to capture available government and tax incentives; whether to employ a "build" or "buy" strategy; how to finance these projects; how to navigate environmental regulation and permitting requirements; strategies for securing sustained and cost-efficient energy sources, the cybersecurity and privacy risks inherent in new manufacturing technology during the age of "big data" and AI; and key considerations as companies recruit, develop and retain a new and expanded U.S. workforce.

As always, our goal is to work hand in hand with our clients as they navigate a rapidly evolving manufacturing environment and a new era of "Made in America." Together, we can help fuel an American manufacturing resurgence.

The Incentive Landscape: Leveraging Public Incentives for Industrial Expansion

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Key Takeaways:

- Federal, state, and local programs can reduce capital costs, support equipment and workforce investment, and deliver meaningful — often multimillion dollar — financial benefits when layered effectively.
- Aligning federal tools with state and local incentives early in the process helps optimize site selection, project structure, and job creation outcomes.
- Careful structuring, active management, and ongoing compliance are critical to avoid clawbacks and fully capture incentive value over the life of a project.

Manufacturers considering new or expanded U.S. operations should review the plethora of financial incentives available at the federal, state, and local levels. As national economic policy aims to reshore domestic manufacturing, states and localities are eager to attract manufacturers and secure high-impact projects for their communities.

Incentive programs include tax credits as well as direct grants that can materially impact project economics, reduce the cost of facility development, enable equipment acquisition, and provide workforce training. Understanding how to navigate, negotiate, and stack these offerings can be the difference between a good deal and a transformative one.

Federal Tax Credits

On the federal level, we often target the underutilized New Markets Tax Credit (NMTC) program. Designed to spur private investment in economically distressed communities, the now-permanently authorized federal NMTC program is a powerful tool for manufacturers seeking to secure affordable financing to subsidize expansion of operations, acquire or modernize equipment, or boost working capital with job-creating investments.

At its core, the NMTC program provides investors with a federal tax credit spread over seven years. Community Development Entities (CDEs) allocate the $5 billion in tax credits each year in exchange for qualified investments. Manufacturers expanding their facilities or purchasing new equipment in qualifying census tracts should take advantage of below-market, flexible financing from NMTC-enhanced loans or equity-like capital with favorable terms including longer interest-only periods, lower rates, or subordinated debt structures. The indirect financing structure and tax credit investment often bridges financing gaps that traditional lenders may otherwise hesitate to fund. On average, they result in a net benefit of about 20% capital subsidy for each qualified project at the end of the seven-year compliance period.

To be eligible, manufacturers' expansion projects must be located in a qualified low-income community and meet certain community impact standards. Many industrial zones across the U.S. meet these requirements, making manufacturers prime candidates. While community impact standards may vary among the allocating CDEs for each project, emphasis on job creation and quality, innovative technologies, revitalization and rural development and other similar benefits to the local community are key drivers to a manufacturer's success in receiving awards under the program. NMTC financing requires careful structuring and coordination with CDEs, tax credit investors, and project lenders. However, when properly executed, the benefits are significant: enhanced liquidity, lower borrowing costs, and long-term growth in underserved areas.

State Incentives

States continue to expand their offerings and offer a myriad of programs to capture manufacturers' reshoring investment. States are competing to attract and retain manufacturing operations in their states and businesses should consider these programs when scouring capital investment.

There are two types of incentives – statutory incentives and discretionary incentives. Statutory incentives, such as tax credits for research and development activities, are fixed and do not require advance application or approval from the state. These types of tax credits, which may or may not be refundable, are usually provided regardless of industry, with excess credits permitted to be carryforward to future tax periods. Discretionary incentives are those that are legislatively approved and often require application and approval from a states' incentive authority. Our focus is on discretionary incentives.

Types of Discretionary Incentives Offered

Discretionary incentives are generally funded by: states accessing federal programs, like Community Development Block Grants; an appropriation by a state economic development agency from an established program; or from a direct state budget appropriation. Local jurisdictions may also be authorized to provide incentives, which are usually funded by a return of taxes paid, or an abatement of tax. Most large projects will qualify for a stack of incentives that layer benefits.

The sums committed by states can be staggering – Michigan has offered up to $6.2 billion in benefits to attract a semiconductor manufacturer, and states will often provide grants that exceed $100,000 per new job created. The race is on for states to develop attraction programs while the federal government is pushing foreign manufacturers to invest in U.S. facilities.

The type of activities which qualify for incentives include:

- Acquisition of real estate for new construction as well as leasing of existing facilities
- Construction of improvements
- Rehabilitation of existing facilities to modernize and/or increase production or efficiency
- Purchase and installation of machinery and equipment and related support items
- Training of employees
- Research and development activities
- Warehousing and logistics

Below are the primary programs offered by the states. The particulars vary state-to-state, with some states more heavily incentivizing activities in key sectors, such as clean energy, high tech manufacturing, agriculture and life sciences. Other states incentivize based on geographic location within the state, with a focus on increasing employment in areas of high unemployment. Generally speaking, states offer the four types of discretionary incentive programs.

Enterprise Zones Type Programs

Enterprise zone programs leverage benefits based on the amount of investment in a project and the new jobs, or jobs to be retained. Eligible projects require a minimum investment and creation of a minimum number of full-time jobs. Benefits are usually scaled based on total investment and job creation. These programs include a variety of benefits, such as:

- Grants – direct payments
- Forgivable Loans – upon completion of milestones achieved
- Refund of employee withholding taxes on new jobs
- Exemption from sales tax on construction materials (based on the prevailing state sales tax rate, 6% – 8.75%)
- Utility rate reductions
- Utility tax exemptions
- Construction jobs refundable tax credits
- Sales tax exemption for machinery, equipment and other personal property used in manufacturing facilities

Historically, grant funding would often come at the outset of a project to assist in project launch. Many programs have transitioned to a post-performance model to reduce the risk to funding and eliminate the potential for "clawbacks" (repayment) if the project fails to meet agreed upon targets which are based on the amount of investment and the new (or retained) jobs created.

Depending on the program, advanced funding may be possible for ordering long-lead machinery and equipment.

Businesses located within state specific enterprise zones may also be eligible for:

- Property tax exemptions for machinery and equipment/pollution control facilities.
- Utility tax exemption for gas, electricity and similar excise charges.

Workforce Incentives

Workforce development programs are typically designed to reimburse businesses for eligible training activities or to provide training via a public-private partnership. As with all incentives, tracking the training activities and relevant expenditures is critical to capture reimbursements.

Qualified training includes classroom training, on-the-job training, seminars, workshops, pre-packaged training courses, and related workforce development instruction, including:

- Withholding tax credits for job creation and training.
- Reduction and/or elimination of local income tax withholding and payroll taxes.

Local Incentives

Counties and municipalities have varying authority and discretion to develop their incentive portfolio, but they, like states, are clamoring for manufacturers' attention.

The leading incentive used by localities is tax incremental financing (TIF). TIF leverages anticipated future property tax revenues to support the financing of a project. Funds are generated by growth in the Equalized Assessed Valuation (EAV) of properties within locally designated districts over a period of years. Businesses utilize the revenues generated by their investment as memorialized in redevelopment agreements that are subject to approval by the local governing authority. Payments are typically provided in bi-annual installments following a project's completion. Upfront funding may be available if the community agrees to issue bonds for the anticipated increase in EAV.

Development costs that may be eligible for TIF include:

- Surveys and BEA assessments
- Site preparation
- Building rehabilitation
- Fixtures and leasehold improvements
- Financing costs

Shorter benefit periods may offer greater business flexibility and reduce exposure to repayment risk.

In addition to TIFs, localities have also provided the following for new build or expansion projects:

- Local sales tax exemptions on eligible equipment
- Property tax abatements (real and personal property)
- Infrastructure support (roads, water, power)

Strategic Considerations

Foley's attorneys and Public Policy & Government Relations team secure incentives and credits across jurisdictions by combining strategic planning, legislative advocacy, and direct engagement with state and local authorities. To assist clients' expansion projects, Foley recently supported the passage of state legislation expanding the use of Tax Incremental Districts (TIDs) in Texas, which enables clients to fund infrastructure improvements and operational costs. Foley also played a key role in securing a state sales and use tax exemption for equipment and software purchases — providing immediate and material savings for their new facility expansion.

Programs like TIDs and Enterprise Zones have proven instrumental in funding public road access, utility upgrades, and other critical infrastructure for clients, while delivering substantial tax benefits tied to job creation and capital investment.

To fully realize these advantages, manufacturers must understand the legal and operational commitments tied to each incentive. Milestone revisions, while often possible, require proactive engagement with the governing jurisdiction. Annual compliance and reporting are also essential, particularly as incentive terms age and institutional knowledge at the project site may fade. Tracking both the promised benefits and the actual receipt of funds is key to avoiding clawbacks.

Finally, the structure and duration of the incentive term deserves close attention. Shorter benefit periods may offer greater business flexibility and reduce exposure to repayment risk. With thoughtful front-end planning and dedicated compliance protocols, manufacturers can maximize the value of these programs throughout the life of the incentive.

The opportunity is clear: federal, state, and local governments are focused on investing in U.S. manufacturing. Manufacturers who strategically plan and structure their projects accordingly can capture millions in benefits — and position themselves for long-term success in the U.S. market.

Building for Reshoring Success: Construction Contracts That Keep Manufacturing Projects on Track

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Key Takeaways:

- Align project delivery model with business priorities: Choosing the right project delivery structure (Design-Bid-Build, CM@R, Design-Build, or EPC) is critical to balancing cost, speed, design control, and risk management in reshoring projects.
- Select pricing to match project goals: Fixed Price, Cost Plus, and GMP contracts each shift risk differently; manufacturers must weigh cost certainty against flexibility to avoid costly surprises.
- Plan for volatility and disruption: Contracts should proactively address material price escalation, tariffs, procurement timing, and force majeure events to safeguard budgets and schedules in today's unpredictable environment.

Manufacturers reshoring or expanding in the U.S. often devote the bulk of early planning to where to locate — analyzing workforce markets, incentive packages and transportation links. But once the site is selected, an equally decisive factor comes into play: how the facility will be designed and built. In today's climate of volatile material costs, unpredictable supply chains and evolving market demands, the construction phase is one of the most risky and challenging elements of the reshoring process. Every decision, from project delivery structure to pricing model, will determine whether the facility comes online on time, on budget and ready to serve for decades. Treating construction contracting as a strategic business function, rather than a routine procurement exercise, is essential to protecting and maximizing the return on your investment.

1. Think Ahead: Match Delivery Model to Business Goals

An early and fundamental decision is selecting the right project delivery model — the framework that dictates who designs the facility, who builds it and when those roles overlap. This choice can have dramatic consequences for cost control, schedule certainty and risk allocation.

Under the traditional **design-bid-build** model, the manufacturer hires a design team to produce complete plans, then competitively bids the work to contractors. This approach can yield competitive pricing, but the sequential process often stretches the schedule and creates fertile ground for change orders if the design needs to shift to meet evolving operational needs.

Another option, **construction manager at risk (CM@R)**, brings the builder in early during the design process to provide constructability reviews, budgeting and scheduling input before constructing the project. This approach can strike a balance between price certainty and design flexibility.

By contrast, the **design-build** model engages a single entity for both design and construction, fostering collaboration and often compressing schedules. That speed can be invaluable in a reshoring race, but it requires the manufacturer to clearly define performance and quality standards up front to avoid surprises or misalignment later in the process.

For process-intensive facilities, an **engineer-procure-construct (EPC)** structure consolidates design, procurement and construction responsibilities under one roof. The contractor delivers a turnkey facility, taking on significant performance risk, but this concentrated responsibility may come at a higher starting price and with less direct control over design details.

There is no universal "best" delivery model. The right choice depends on whether speed, cost certainty, design control or risk transfer is your top priority. Too often, manufacturers default to the model they used last time, rather than selecting the one that truly matches their reshoring objectives — a decision that can prove costly later.

2. Price It Right: Choosing the Model That Fits Your Risk Tolerance

Once the delivery model is set, the construction contract becomes the manufacturer's primary tool for allocating risk, preserving schedule and containing costs. In any construction market — but especially one defined by material volatility and labor constraints — the way you structure pricing will dictate much of your financial exposure.

Under a **Fixed-Price (Lump Sum)** contract, the contractor agrees to deliver the project for a set price based on a clearly defined scope. This provides strong budget certainty, but only if the scope is fully documented and stable. In the current market, where design changes may be needed to accommodate rapidly evolving production requirements or unanticipated site conditions, that certainty can quickly erode through change orders. Fixed-Price agreements place the risk of cost overruns squarely on the contractor, which they may hedge by building premiums into their bid.

A **Cost-Plus model** reimburses the contractor for actual labor, materials and other allowable project costs, plus a fee or percentage for overhead and profit. This arrangement can be attractive when the design is incomplete, the scope is evolving or the manufacturer wants greater flexibility to make changes mid-construction. However, it provides minimal cost certainty and requires strong auditing rights and disciplined project management to prevent cost overruns, which can quickly balloon without such protections in place. While the owner retains more control over design and changes, they also assume nearly all of the financial risk.

Many manufacturers find the middle ground in **Cost-Plus with a Guaranteed Maximum Price (GMP)**. Here, the contractor is reimbursed for actual costs plus a fee, up to a capped "maximum" amount. Beyond that cap, the contractor absorbs additional costs. This model offers flexibility for changes in scope and design, while establishing a ceiling on cost exposure. GMPs often include allowances and contingencies, so contracts must tightly define how these can be used and who retains any savings. In volatile markets, GMP agreements can balance adaptability with budget discipline, particularly when paired with escalation clauses that fairly address market-driven price spikes.

In today's climate of volatile material costs, unpredictable supply chains and evolving market demands, the construction phase is one of the most risky and challenging elements of the reshoring process.

The choice among these models should be deliberate and directly tied to the manufacturer's priorities. If your project demands an unmovable budget, Fixed-Price may be worth the upfront premium. If adaptability during construction is vital, Cost-Plus may be the best option, provided it is coupled with strong cost controls and stringent owner oversight. And if you need both flexibility and a cap on exposure, Cost-Plus with GMP often offers the best compromise.

3. Plan for the Unplanned: Managing Volatility, Tariffs, and Integration Risks

Even with the right delivery and pricing model, today's market requires contracts that anticipate volatility. One approach to address material pricing volatility is to agree upon an approach to price escalation in the contract before such issues arise as the project progresses. Such clauses may provide relief to the contractor for cost increases that exceed an agreed-upon threshold and could not reasonably have been anticipated at the time the contract was signed. The contractor should be required to substantiate any claim with detailed evidence of the original committed price and the actual cost increase. This ensures relief is granted only for exceptional, documented changes and not routine fluctuations.

The same principle applies to tariffs. Even when production is in the U.S., critical materials or equipment may come from abroad. A well-drafted tariff clause should allow adjustments only for new or significantly increased tariffs imposed after execution and should bar recovery for tariffs that were known or reasonably foreseeable. As with escalation, the contractor must demonstrate both that the tariff applies to the project's materials and the extent of its direct cost impact.

Material procurement strategies should also be carefully considered. Specialized materials and equipment frequently have long lead times for delivery, making early procurement provisions essential. Contracts should clearly address title transfer, risk of loss, insurance obligations and storage responsibility to avoid disputes.

Finally, force majeure clauses should be updated to reflect modern realities, including supply chain disruptions, extreme weather events and public health emergencies, rather than relying on boilerplate provisions from more stable times.

The Right Construction Contract Builds Stronger Reshoring Success

Reshoring success isn't simply about breaking ground quickly; it's about delivering a facility that launches on schedule, on budget, and with the flexibility to grow. Achieving that outcome depends on aligning your project delivery method with your business priorities, selecting pricing structures that match your risk tolerance and building contract terms that anticipate volatility while hardwiring adaptability into the design.

Where you build will always matter — but how you contract to build will determine whether your investment thrives or falters.

Pricing Stability and Supply Continuity: Strategic Contracting for Reshoring

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Key Takeaways

- Moving manufacturing operations back to the U.S. can reduce tariff exposure and simplify logistics, but it introduces new challenges such as labor shortages and operational risks. Companies must weigh these trade-offs carefully.
- To manage cost fluctuations, manufacturers are turning to well-crafted pricing adjustment clauses — either index-based (tied to public indices) or cost-based (tied to actual supplier costs) — to ensure fair and predictable pricing.
- With U.S. suppliers often operating near capacity, manufacturers should use tools like quantity commitments, liquidated damages, safety stock requirements, and diversified sourcing to protect against disruptions and ensure reliable supply.

Manufacturing supply chains have taken a beating in the last half-decade. Tariffs, natural disasters from climate change, COVID-19, and the Russia-Ukraine war have pushed C-suites to demand solutions — and supply chain teams are under pressure to restore continuity.

During the first Trump administration, a client with heavy reliance on Chinese manufacturing began the costly process of moving that manufacturing to India to avoid the Chinese tariffs. Now, India is under threat of high tariffs, and the client's best-laid plans have been thwarted.

Given these quickly-shifting tariff dynamics across the world, one increasingly explored option to restore pricing and supply stability is to move production operations back to the U.S.

Reshoring gives businesses greater control over their processes through less complex and less costly logistics. But domestic manufacturing doesn't automatically translate to supply chain simplicity. While domestic production can offer increased control, reduced logistics and tariff cost, and eligibility for certain incentives, it also introduces new commercial and operational complexities and risks. See the "Re-Shoring Pros & Cons" chart below for additional information on the re-shoring analysis.

To capture the benefits and manage the risks of U.S. manufacturing, companies should prioritize pricing stability and supply continuity in their commercial contracts.

1. Clauses to Increase Pricing Stability

U.S. manufacturers often assume that pricing stability will be easier to achieve domestically, especially without the concern of tariffs on the goods sold by the manufacturer into the U.S. market. However, they are quickly met with familiar difficulties: labor constraints, volatile raw material costs (including tariff risk on raw materials that continue to be imported from overseas), and inflationary pressures.

a. Index-Based Pricing Adjustments. Ideally, when purchasing raw materials, the manufacturer will have fixed pricing from the supplier. Absent that, carefully-drafted pricing adjustment clauses can help reduce volatility. These clauses are often tied to indices specific to the product components, such as steel, resin, or paper, or to general inflation measures like the Consumer Price Index (CPI) or Producer Price Index (PPI).

Some companies create a basket of indices in which each product input is assigned an index and a weighting, so that the increases and decreases of the indices assigned to each input will be netted to reach an overall adjustment to the price of the product. When structured correctly, pricing adjustment clauses can allow suppliers to recover increased costs while also protecting manufacturers from opportunistic pricing practices.

Index-based clauses are not without their downsides. They can be complicated to draft and to put into practice, and they require precise formulas, particularly if they use the weighted basket approach described above. Complex as it may be on the front end, this approach allows for precise pricing tied directly to published changes in cost on the back end.

b. Cost-Based Pricing Adjustments. Alternatively, pricing adjustment clauses based on actual costs (rather than indices) can be simpler, and they limit a supplier's ability to increase profit margins over time. However, they require audits to verify a supplier's costs. Asking suppliers to open their books and provide documentation on their sourcing and production costs may not be palatable or possible depending on negotiating leverage. With index-based clauses, these audits are not necessary, because any adjustments are tied to publicly-available indices.

2. Increasing Supply Continuity

With many U.S.-based suppliers operating near capacity — especially in the machining, electronics, and chemicals industries — it is critical for manufacturers to address supply continuity head-on with intentional drafting:

a. Quantity Commitment. Under Article 2 of Uniform Commercial Code (UCC), which governs the sale of goods in all states in the U.S. (other than Louisiana), a contract for the sale of goods is only enforceable up to the quantity of goods specified. But committing to buy specific quantities may not be practical or desirable in long term contracts or other arrangements in which a manufacturer's supply needs may vary. Instead, a manufacturer may choose to enter into a "requirements contract" or an "output contract," each of which meets the UCC's quantity requirement:

b. Liquidated Damages. If damages for delay in delivery would be difficult to calculate, a liquidated damages clause can be another useful way to gain priority in on-time delivery. Such a clause establishes a clear, defined remedy for a supplier's failure to perform on time, which, in turn, can incentivize the supplier to prioritize the manufacturer's orders over other customers. This must be carefully crafted to ensure enforceability under the UCC and is only a viable option if the manufacturer has sufficient bargaining power.

c. Safety Stock. Requiring that the supplier hold in its inventory a certain level of stock in case of supply disruption also provides a safety net for the manufacturer. Oftentimes though, the supplier will pass through this inventory carrying cost through higher product prices.

d. Alternative Suppliers. Another method for increasing supply continuity is avoiding sole-source supply. Due to complexity in manufacturing, cost reasons, or supplier know-how, this is not always possible, but it is one of the best ways for a manufacturer to protect against unforeseen disruption, particularly if the suppliers are in geographically disparate regions.

Supply Chain Resilience Starts in the Fine Print

Locking in pricing stability and securing supply continuity can turn domestic production into a competitive advantage. Clarity on these contract terms will also provide an edge that endures. Manufacturers who get it right now will be the ones still standing when the next shock hits.

3 Ways to Meet the UCC's Quantity Requirement:	
1 **Fixed Quantity**	Buyer agrees to buy, and seller agrees to sell, a fixed quantity of products.
2 **Requirements Contract**	Buyer agrees to buy, and seller agrees to sell, all of the buyer's needs for a product.
3 **Output Contract**	Buyer agrees to buy, and seller agrees to sell, all of the seller's production of a product.

RE-SHORING PROS & CONS

PROS	CONS
Logistics Inventory is geographically proximate, making lead times shorter and shipping and logistics easier and less costly. This is especially true for larger products, such as appliances, heavy equipment, and machinery, which are more costly to ship on a per-unit basis.	**Labor Costs** Labor costs are high, and shortages of skilled labor are often impediments (though this con continues to be mitigated by increased automation, which generally decreases the amount of labor needed).
Control Closer proximity allows for greater oversight of the business processes and quality control, which is ideal for complex designs that require great attention to detail and customization. Risks of certain supply chain disruptions, such as long customs delays, are minimized when processes are handled domestically.	**Labor Regulations** Manufacturing operations in the United States require compliance with a number of employee health and safety regulations, including the Occupational Safety and Health Act, which has thousands of regulations applicable to agriculture, construction, maritime, and all general industries; compliance with these regulations will typically necessitate investments for comprehensive safety and health programs, and, many times, dedicated safety professionals.
Trade Issues The use of domestic manufacturing processes eliminates trade and tariff concerns normally associated with these processes when they are offshored.	**Immigration Restrictions** The process for U.S. immigration is complex and time-consuming, making it difficult for diverse talent to move to the United States.
IP Protections A company's ability to shut down IP infringement in the United States is extensive via robust IP defense and enforcement options. Accordingly, theft of IP is reduced. China's IP enforcement options, by contrast, are much more limited and usually require the involvement of local governmental actors.	**Regulatory Structures** The extensive regulatory schemes in the United States and the multitude of jurisdictions and agencies that all impact how U.S. laws function have made the United States a less attractive option for manufacturing, particularly on account of associated delays, restrictions, and increased costs.
Sustainability Some industries, like the fashion industry, can better focus on sustainable practices when products are manufactured domestically. Companies eliminate or reduce shipping, enhance recycling, and minimize waste when products are made in a localized process.	**Automation** Often, in order to remain cost-efficient, manufacturing in the United States must be extensively robotized with substantial reliance on automation and advanced manufacturing technologies.
Domestic Production Boosting Sales Using domestic materials, parts, and labor in goods may help stimulate sales in the United States due to (a) the regulatory preferences that U.S.-made goods enjoy under government procurement programs, and (b) consumer preference for domestic goods.	**Property** The price of property and facilities costs are higher in the United States than in many other countries.

Private Credit and the Reshoring Wave: Financing America's Manufacturing Revival

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Key Takeaways

- Private credit is emerging as a key reshoring enabler, offering manufacturers faster and more flexible access to capital than traditional syndicated loans—critical for meeting government incentive deadlines and outpacing competitors.
- Flexibility and customization are major advantages, as private lenders can tailor repayment structures, drawdowns, and equity participation to match the long timelines and capital intensity of reshoring projects.
- The trade-off comes with higher costs and tighter oversight, but for manufacturers prioritizing speed, adaptability, and strategic execution, private credit often justifies the premium as a catalyst for U.S. manufacturing growth.

The push to return manufacturing to U.S. shores, driven by fragile supply chains, shifting geopolitics, and ambitious domestic industrial policy, has shifted from boardroom talk to a surge of reshoring projects. From precision components to semiconductors, plants are breaking ground at a pace not seen in decades. But amid the strategy lies a pressing question: how to finance construction, workforce development, and other reshoring operations quickly and flexibly enough to seize the moment.

While syndicated loans remain a staple for large-scale borrowers, private credit is emerging as a decisive enabler for reshoring. Once a niche alternative, it has grown into an over $1.5 trillion global market with clear benefits for manufacturers of all sizes seeking financing options that align with the particular financing needs of reshoring.

Why Private Credit Fits the Reshoring Agenda

Speed and certainty are the most immediate advantages. Manufacturing development is often tied to government incentives — such as the CHIPS and Science Act, the Inflation Reduction Act, and state subsidy programs — which can impose strict timelines or otherwise be subject to phase-outs and volatile political headwinds. Private credit can close in weeks as opposed to months for a syndicated process. That can determine whether a grant is secured or lost — or whether a manufacturer can outrace its competitors competing for specialized domestic workforces, favorable new supply chains, and government contracts prioritizing domestic production.

Structural flexibility is equally vital. Reshoring projects often require heavy upfront investment, years before steady cash flow. Private lenders can tailor repayment to project realities, such as milestone-based drawdowns, long interest-only periods, or cash sweeps post-production ramp-up, in contrast to the more rigid amortization and covenant demands common in syndicated loans. Furthermore, while prospective borrowers should carefully consider the costs and benefits of such approaches, private lenders are often more receptive partners to creative equity structures as a portion of their anticipated return on financing transactions than traditional bank lenders.

Specialized risks also make private credit attractive. Projects may involve advanced robotics, energy-intensive methods, or other niche exposures and regulatory risks that traditional lenders may approach with skepticism. Private credit funds often field sector-focused teams capable of underwriting such risks without imposing prohibitive equity demands or overly restrictive covenants.

The Trade-offs: Cost, Liquidity, and Governance

Private credit is not cheap. Higher interest rates and fees, and the possible addition of equity compensation for the lender, reflect the lender's concentrated risk and bespoke structuring. Borrowers must weigh whether the premium is justified by, among other things, speed and flexibility.

The trade-off is clear: higher costs in exchange for faster, more flexible capital.

Liquidity is another consideration. Private loans are not broadly tradable; refinancing can be difficult, particularly when options were not plentiful to begin with or when a project encounters delays, increased costs, or other obstacles to profitability. If market conditions or project economics change, this lack of optionality can be constraining.

The close relationships that make private credit adaptable can also bring potentially intrusive governance. Enhanced reporting, board observer rights, and other operational oversight are common. Some management teams value the dialogue; others may resist the visibility granted to lenders.

Strategic Financing in a Strategic Moment

For manufacturers looking to reshore, capital constraints, bureaucracy, and inflexible financing can derail projects with long-term strategic value for their businesses and the U.S. industrial base. Private credit can sidestep these obstacles by offering rapid, customized capital focused on the particular business, and execution of the particular reshoring project rather than market convention.

The trade-off is clear: higher costs in exchange for faster, more flexible capital. For many of our reshoring manufacturers, especially those racing to meet incentive deadlines or counter competitors, it's a trade worth making. In an era when speed and flexibility rival cost of capital in importance, private credit may well become the financial engine behind America's manufacturing resurgence.

Clearing the Path: Environmental Permitting in the Era of Renewed American Manufacturing

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Key Takeaways

- Environmental reviews can cause major project delays. Manufacturers must navigate complex federal, state, and local approvals that can stall construction if not planned early.
- Some reforms are streamlining — but vary by state. A unanimous Supreme Court ruling and new federal guidance aim to speed NEPA reviews, while states take differing approaches to environmental review.
- Proactive permitting strategies — through early consultation, smart siting, and community engagement — help manufacturers avoid delays and move projects forward with confidence.

Manufacturers expanding in the U.S. often plan for tax incentives, labor, and logistics — but not the time it takes to secure environmental approvals from state and federal regulators. Whether building new, expanding, or upgrading existing facilities, companies may encounter a complex mix of local, state, and federal permitting requirements — covering air emissions, stormwater and wastewater discharges, wetland impacts, water withdrawals, and impacts to wildlife or endangered species. In some cases, projects may also trigger review under the National Environmental Policy Act (NEPA) or a state-level equivalent.

These reviews are intended to protect air, water, and ecosystems and to help ensure that growth is sustainable. These processes are not just bureaucratic hurdles — they're path critical. As the U.S. manufacturing renaissance accelerates, companies that plan ahead can turn environmental permitting from a source of delay into a competitive advantage. Some recent federal and state reforms can make reviews faster, more focused, and more predictable — if businesses know how to navigate them.

Environmental Approvals Can Cause Costly Delays

For decades, environmental permitting has long been a source of delay for complex construction projects, particularly those involving federal approvals or sensitive environmental resources. Delays in permitting can stall projects for months or even years, adding uncertainty and cost.

Take NEPA reviews, as just one example. NEPA, originally designed to ensure that federal agencies "look before they leap," requires regulators to assess the environmental impacts of "major federal actions" before making permitting decisions. Under NEPA, and its state equivalents, agencies must prepare an Environmental Impact Statement — or EIS — when a project could significantly affect the environment; it's a detailed report that evaluates potential impacts and alternatives before a final decision is made.

EISs once spanned hundreds of pages but now routinely run into the thousands of pages, and reviews and approvals can take years for agencies to complete. EISs are costly. They require retention of experts to study a host of potential issues including species, wetlands, noise, traffic, geological, and emission impacts.

In some cases, opponents to a proposed construction project use NEPA and its state counterparts strategically to delay or derail development by challenging the scope or sufficiency of the EIS.

A Unanimous U.S. Supreme Court Urges More Efficient Environmental Reviews

Recent actions by the U.S. Supreme Court and the Trump Administration signal a more streamlined, focused approach to environmental review — one that could help manufacturers move projects forward with greater speed and certainty.

Leading the way is a recent unanimous U.S. Supreme Court decision in Seven County Infrastructure Coalition v. Eagle County. Seven County assessed a lower court decision that invalidated a 3,600-page EIS for failing to analyze upstream and downstream environmental impacts not directly caused by the proposed railroad project at issue.[1] The unanimous Seven County Court called for a "course correction," warning that NEPA had been transformed from a "modest procedural requirement" into a "blunt and haphazard tool" used to slow or stop infrastructure projects.[2]

The Court emphasized that agencies must focus on the project before them — not hypothetical ripple effects from other projects "separate in time or place."[3] The Court made clear: "A relatively modest infrastructure project should not be turned into a scapegoat for everything that ensues from upstream oil drilling to downstream refinery emissions."[4]

This decision does not mean environmental review is going away, but it may signal a more balanced approach to such reviews, at least at the federal level. Agencies still need to take a "hard look" at environmental impacts — but courts must give agencies room to make reasonable, scientific decisions. And when agencies stay within their lane, they should not be second-guessed for not analyzing attenuated impacts.

This clarification is significant for manufacturers, who often face NEPA-triggered delays even when their projects are environmentally sound and economically vital.

The Federal Government Aims for More Efficient Reviews, Too

The Seven County decision dovetails with changes from the White House Council on Environmental Quality (CEQ). On November 12, 2024, in Marin Audubon Society v. Federal Aviation Administration, the D.C. Circuit Court of Appeals held that CEQ lacks the authority to issue binding regulations.[5] This was a shocking ruling — CEQ has been promulgating NEPA regulations for almost 50 years under the auspices that its regulations were binding. Invalidating CEQ's regulations erased EIS and NEPA rules that had been incorporated by many federal and state agencies.

On February 25, 2025, following the Marin Audubon decision and an Executive Order from President Trump (EO 14154), CEQ withdrew its binding NEPA regulations and is now issuing non-binding guidance to help agencies align their procedures with recent case law.[6] While not binding, CEQ encourages agencies to emphasize:

1. **Shorter timelines** for EISs,
2. **Clearer scoping** to avoid analysis of speculative or unrelated impacts,
3. **Greater interagency coordination**, and
4. **Public transparency** throughout the review process.

The bottom line: federal agencies are being encouraged to move faster, stay focused, and avoid speculative analysis.

Understanding where a state stands — whether it's streamlining or adding new layers of review — should be a key part of any site selection strategy.

Some States Are Following Suit While Others Stay the Course

As federal agencies move toward faster, more focused environmental reviews, many states are modernizing their own permitting systems with digital tools, clearer timelines, and greater transparency. But not all states are moving in the same direction.

Standardization in Virginia — Virginia's Department of Environmental Quality launched a major overhaul of its stormwater permitting process which took effect July 1, 2024. The new handbook consolidates and modernizes regulatory guidance for new development, redevelopment, and upgrades to existing sites. It seeks to (a) streamline permit review timelines, (b) standardize best management practices (BMPs), and (c) incorporate stakeholder feedback through a new committee. Its goal is to create a more predictable and transparent permitting framework.

Digitalization in Arizona — Arizona's Department of Environmental Quality (ADEQ) implemented a fully digital environmental permitting and compliance portal. It allows businesses to apply for permits, submit reports, and track compliance online, significantly reducing administrative burdens and improving transparency. Arizona's mission is to deliver "government at the speed of business."[7] Early reports indicate that the online portal has reduced permit processing times by 93%, digitized 98% of services, and reaped an annual economic benefit of about $164 million.[8]

Project-Specific Streamlining in California & Massachusetts — Streamlining environmental reviews at the state level is often driven by specific project types. In June, California signed into law revisions to the California Environmental Quality Act that would exempt certain housing projects from environmental review.[9] Similarly, Massachusetts is in the middle of a rulemaking to streamline environmental reviews for certain housing, ecological restoration, and urban renewal plans.[10]

Others Push Back — Not all states are embracing the federal trend. Nineteen state attorneys general opposed CEQ's withdrawal of its NEPA regulations,[11] and some states are strengthening their own environmental review laws.[12]

The takeaway for manufacturers? State-level permitting dynamics vary widely. Understanding where a state stands — whether it's streamlining or adding new layers of review — should be a key part of any site selection strategy.

Change in NEPA Approach May be a Relief for Industry

For manufacturers, recent changes to NEPA and environmental reviews at the federal level — and in some states—offer real business value: faster time to market, fewer legal surprises, and greater confidence in long-term planning. For manufacturers investing in clean technologies, advanced manufacturing, and energy transition infrastructure, a streamlined permitting environment also helps level the playing field — while still ensuring meaningful environmental oversight.

Of course, NEPA is just one piece of the puzzle. Manufacturers must still navigate a range of other environmental approvals and resource considerations. Permitting strategy should be integrated into early-stage planning, not treated as a post-site-selection hurdle. But with the right strategy, permitting can be managed and growth can move forward with confidence.

Other Environmental Permitting and Resources Integral to Development

While the Trump Administration and U.S. Supreme Court have signaled a move to more streamlined environmental reviews and a major overhaul of NEPA, many development projects or expansions that lack a federal nexus and do not otherwise implicate NEPA or its state counterparts may nevertheless need to secure a panoply of other environmental permits at the local, state or federal level and may require significant environmental resources that will be essential to making siting decisions and that can have a significant impact on project cost and timing.

An expansion project or new development could require permits for air emissions, stormwater discharges, wastewater discharges, wetlands impacts, impacts to endangered species or their habitat, and impacts to shorelands, among others. Local governments may have additional permitting requirements related to zoning.

Beyond permitting, companies will need to consider their natural resource needs when siting a project. For example, semi-conductor manufacturers and data centers, which require significant volumes of water for their operations, will need to ensure they have an adequate water supply prior to developing or expanding in an area. Whether supplying water through contracts with an existing water supplier, seeking a new surface water right, or pumping groundwater, each may trigger additional regulatory requirements.

Practical Permitting Strategies

Manufacturers should proactively strategize to ensure a comprehensive, though efficient, plan is in place for securing all necessary permits. Missing a single permit, or underestimating how long a permit could take to secure, could put an indefinite hold on a project and increase costs as a result. To avoid such pitfalls, some things manufacturers might consider are:

1. **Early consultation.** Getting experts involved early in the process can help determine the universe of applicable environmental permits. Likewise, engaging with relevant state and federal regulators early can help things move more smoothly going forward, and many agencies require pre-permit reviews prior to permit application submittal.
2. **Site selection**. As noted above, not all sites are created equal. For example, a facility requiring a

major source air permit located in an area designated as being in "nonattainment" will trigger more burdensome requirements, including the potential need for emission credits, which can be scarce or prohibitively expensive to acquire in many areas. Siting in an area with endangered or threatened species, wetlands, or historical artifacts could trigger additional, potentially lengthy, agency consultations and procedures.

3. **Public involvement.** States and agencies also have different procedures for when and how the community may get involved in project development or expansion. In some cases, a project opponent can contest the issuance of a permit, triggering a lengthy administrative process similar to a court proceeding. Some states have provisions that allow a permittee to abbreviate this process. In Texas, for example, a permit-seeker that knows it will likely be challenged can opt to send its permit application directly to an administrative body, bypassing the months-long process of establishing who, if anyone, is sufficiently affected by the permit to bring a challenge. More fundamentally, building a relationship with the relevant community may create opportunities for a permittee to address concerns without having to go through a hearing in the first place.

It's an exciting time for American manufacturing and development. Environmental review and permitting requirements can be complex and highly technical, and can be a thorn in the side of development and expansion. However, with the right permitting strategy these requirements can be managed and met in due course rather than creating a stumbling block for new growth.

1 *Seven Cnty. Infrastructure Coal. v. Eagle Cnty.*, 605 U.S. ___ (2025).

2 *Id.* at slip op. at 12, 13.

3 *Id.* at slip op. at 19.

4 *Id.*

5 *Marin Audubon Soc'y v. Fed. Aviation Admin.*, 121 F.4th 902 (D.C. Cir. 2024).

6 Council on Env't Quality, *Memorandum for Heads of Federal Departments and Agencies: Implementation of the National Environmental Policy Act* (Sept. 29, 2025), https://ceq.doe.gov/docs/ceq-regulations-and-guidance/Agency-NEPA-Implementation-Guidance.pdf.

7 Ariz. Gov't Transformation Off., *The Arizona Management System: An Evaluation of Continuous Improvement in State Government* 1–2 (Dec. 2022), https://results.az.gov/sites/default/files/2022-12/AMS%20evaluation%2012.20.22_0.pdf.

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9 Cal. Assembly Bill No. 130, 2025, https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB130.

10 Mass. Exec. Off. Energy & Envt'l Affairs, *Background Document on Proposed Regulations by Massachusetts Environmental Policy Act (MEPA) Office*, Oct. 7, 2025, https://www.mass.gov/doc/mepa-regulations-background-document-10725/download.

11 Comments of Attorneys General re: Interim Final Rule – Removal of National Environmental Policy Act Implementing Regulations, Mar. 27, 2025, Docket No. CEQ-2025-0002.

12 *See, e.g.*, New York Dep't of Envt'l Conservation, *The Environmental Justice Siting Law*, last visited Oct. 20, 2025, https://dec.ny.gov/environmental-protection/environmental-justice/the-environmental-justice-siting-law (agency undergoing rulemaking to implement law requiring agencies, as part of their environmental review, to consider whether an action may cause or increase a disproportionate pollution burden on a disadvantaged community); *Held v. Montana*, 419 Mont. 403 (2024) (finding unconstitutional a provision of the Montana Environmental Policy Act that precluded an analysis of greenhouse gas emissions during environmental reviews).

Energy Supply Considerations for Manufacturers Re-Onshoring to the U.S.

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Key Takeaways

- **Energy is now a strategic priority:** Reshoring manufacturers must treat energy planning as key to cost, resilience, and sustainability.
- **Policy shifts require flexibility:** Evolving federal energy priorities make tailored, jurisdiction-aware strategies essential.
- **Plan early and strategically:** Each energy option — RECs, PPAs, or on-site generation — carries long-term legal and financial implications.

As manufacturers accelerate plans to re-shore operations to the U.S., energy strategy has become one of the most material and multidimensional issues in the facility planning process. For energy-intensive industries, power procurement isn't just a line item on the budget or a utility concern — it's a strategic input with legal, financial, and operational implications.

This importance is amplified by today's political and regulatory uncertainty. The Trump administration has already made significant changes to the energy landscape, and has signaled that more is to come. This could mean different priorities for decarbonization, incentives for renewables, or permitting rules for fossil fuel projects and transmission lines.

These shifting priorities directly affect how manufacturers evaluate energy options — especially when long-term investments are at stake. Manufacturers must take a more strategic and tailored approach to energy planning to ensure operational goals and cost structure for decades.

Features of Energy for Manufacturing

Manufacturers' energy needs are different than many other types of commercial operations:

- Load Size: Manufacturing operations, in particular heavy manufacturing, often have relatively large loads. This opens additional supply avenues to manufacturers, and provides market leverage.
- Load Profile: Manufacturing operations have relatively consistent and predictable energy needs, particularly facilities that operate multiple shifts.
- Long Horizons: Manufacturing facilities are long-lived assets. This allows manufacturers to make energy decisions over decades instead of months.
- Consistency and Uptime: Energy interruptions mean costly facility downtime. For some manufacturers, energy interruptions mean damage to inventory or equipment, and protection against energy interruption is of paramount importance.
- Process Steam: Some manufacturing operations also require thermal energy, process steam, or similar non-electric energy inputs. Such requirements will substantially limit the available energy supply options. Here, we will focus on electric-only load requirements.

For manufacturers, energy supply is on par with labor availability and similar operational planning. In some sectors, energy considerations even outweigh traditional factors like real estate cost or proximity to suppliers. Energy should be an intentional operational opportunity to align with long-term cost, sustainability, and resilience goals.

Four Strategic Energy Goals

Manufacturers' energy strategies balance some combination of four competing energy goals:

1. **Reducing total energy costs**, particularly in price-sensitive or energy-intensive sectors.
2. **Price predictability**, to support long-term financial planning.

With competing energy goals in play, manufacturers should evaluate available management approaches which vary in complexity, commitment, and impact.

3. **"Greening" the energy supply**, for ESG or regulatory reasons. For some products and jurisdictions, a sufficiently green energy supply may also extend "green" benefits to the manufacturer's products.
4. **Interruption protection**, to avoid operational losses and liabilities.

No energy strategy can perfectly achieve all of these goals simultaneously, however. Choices and compromises must be made.

Energy Management Approaches

With competing energy goals in play, manufacturers should evaluate available management approaches which vary in complexity, commitment, and impact.

Renewable Energy Certificates (RECs). While technically not energy, RECs are a straightforward tool for achieving energy greening goals. The manufacturer buys energy from the grid (or any other source), and separately purchase RECs in the desired amounts. This allows the manufacturer to offset the emissions from purchased energy.

- Pros: Low cost; limited commitment; easy to execute; no physical facility required.
- Cons: Increases overall energy cost; does not contribute towards goals other than greening.
- Use case: Companies needing quick ESG reporting solutions or early-stage green targets.

Offsite Power Purchase (Virtual or Physical Delivery). With this approach, the manufacturer signs an agreement with the owner of a power plant not co-located with the manufacturing facility, and the remote power plant supplies energy to the manufacturing facility. This energy will reduce the amount of energy purchased from the local utility. These long-term financial contracts allow manufacturers to lock in their energy cost long-term.

- Pros: May provide overall cost reduction, price certainty, and energy greening; no local construction required.
- Cons: Potentially long-term commitment; limited availability in fully-regulated energy markets; does not provide interruption protection; remote supply may not provide energy greening in all circumstances.
- Use case: Sophisticated buyers with strong legal/financial teams.

On-Site Energy Facility. An energy facility constructed at or adjacent to the manufacturing facility can provide energy generation, energy storage, or both.

- Pros: Strong alignment with all four goals; physical interruption protection available.
- Cons: Requires land, capital, and time for development and construction; long-term commitment.
- Use case: Long-term manufacturing facilities with access to land or favorable permitting regimes; manufacturing facilities that require interruption protection.

Microgrids. Self-contained energy systems that can island from the grid offer resilience and autonomy. Microgrids combine multiple generation and storage solutions to maximize control of energy supply.

- Pros: Resilience; price control; custom design.
- Cons: High operational complexity; regulatory hurdles; redundancy/oversupply may be required.
- Use case: Mission-critical manufacturing; remote or off-grid locations.

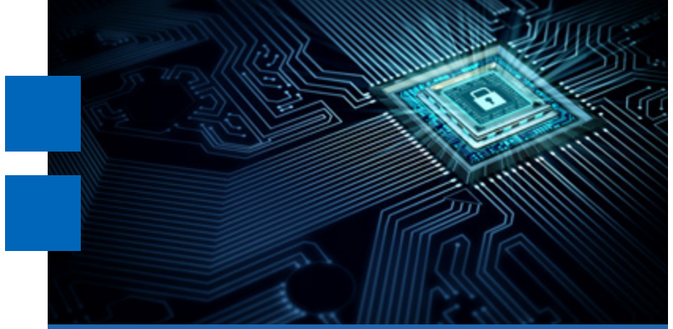
Choosing a Path: Legal and Operational Considerations

No matter the technology, key decision parameters should guide manufacturers' energy planning:

- **Setup time** – Strategies that require energy plant development/construction generally take longer than strategies involving only contractual arrangements. Technologies require differing lead times.
- **Commitment Duration** – Most of the options discussed require long-term commitment, but the duration of that commitment can vary significantly depending on technology and structure selections. Factor those timelines into your choice.
- **Financial and Contractual Terms** – The contracts involved in energy planning can be complex, and the specific terms can vary significantly. Evaluation of financial and contractual details should be considered early in the process.
- **Regulatory Considerations** – Energy generation and transmission is highly regulated everywhere, but there is still significant variation across jurisdictions. The process, structure, terms, and even availability of both on-site and off-site solutions will be subject to and limited by local/regional rules.
- **Siting and Permitting** – Local zoning and environmental rules can change the cost/benefit analysis for various energy strategies, and in some cases may limit available on-site options.

Manufacturers planning new or expanded U.S. operations should take an informed, flexible, and jurisdiction-aware approach to energy. Navigating energy strategies involves considering long-term commitments, regulatory landscapes, and financial and operational considerations. With proper planning, manufacturers can align their energy strategies with broader business objectives, ensuring operational efficiency, cost-effectiveness, and sustainability in an unpredictable energy landscape.

Combatting Supply Chain Cyber Threats: Safeguarding Data and Protecting Digital Supply Chains in a Rapidly Evolving Cyber Landscape



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Key Takeaways

- Manufacturing supply chains have become high-value targets for cybercriminals, facing relentless attacks as the industry remains the most targeted sector for the fourth consecutive year. Supply chain-related attacks have surged 431% since 2021 and are among the costliest and slowest to resolve.
- Insufficient vendor oversight creates critical cybersecurity gaps. Many manufacturers fail to adequately monitor third- and fourth-party suppliers, allowing threat actors to exploit trusted network connections and infiltrate primary targets through weaker links in the supply chain, expanding the scope of a cyberattack and amplifying supply chain cyber risk exposure.
- Cyber resilience strengthens manufacturing supply chains and market edge. Integrating security-by-design principles, robust vendor due diligence, and Cyber Supply Chain Risk Management (C-SCRM) practices into operations empowers manufacturers to build secure, agile, and sustainable supply chains, enhancing both business continuity and market competitiveness in today's threat-intensive digital landscape.

The manufacturing industry remains the most targeted sector for cyberattacks for the fourth year in a row.[1] Over 26% of cyber occurrences worldwide target the manufacturing industry. Supply chains are often the target as they become more digitized and interconnected. The threat landscape shifts rapidly, with increasingly sophisticated attacks targeting every link in the supply chain ecosystem, from software vendors and logistics providers to manufacturers and distributors.

As manufacturers build out their U.S. supply chains, they're not just expanding operations — they're laying the foundation for long-term resilience. By integrating cybersecurity best practices from the start, companies can turn risk management into a competitive advantage for their operations and ensure their growth is both secure and sustainable.

Cyberattacks on Supply Chains Continue to Rise

Supply chain cyberattacks have surged dramatically in terms of prevalence, cost, and resolution timelines. Between 2021 and 2023, the number of supply chain-related attacks **increased by 431%**.[2] Last year, they became the **second most prevalent attack vector** (accounting for 15% of all breaches last year).[3] They are also the **second costliest** type of attack. The average cost of a breach in the U.S. continues to rise as it increased by 9% in 2025 to **$10.22 million USD** (based on data pertaining to 2024-related breaches) and even higher for supply chain compromises.[4] Supply chain attacks also take the longest to resolve. Last year, cyber-related compromises to the supply chain took a combined **267 days to detect and contain**.[5]

Why? Research suggests that businesses do not adequately oversee their vendors, which leads to latent detection and increased costs and resolution horizons when cyberattacks are finally detected. For instance, a 2024 survey conducted by Gartner – the world's leading research and advisory company – reveals that while **95% of organizations saw a red flag** associated **with their third-party vendors** in the past 12 months, only around half of them escalate it to compliance teams.[6]

Attackers exploit these trusting relationships and expansive networks. As detailed below, attackers take advantage of the established trust between suppliers, vendors, manufacturers, and customers and their computer-to-computer communications.[7] They also target links further down the supply chain like third- and fourth-party suppliers. Attackers know that customers and their immediate suppliers often do not maintain adequate oversight of, and undertake efforts to ensure compliance from, those providers further down the chain.[8]

This trend is unlikely to slow down, as we see attackers continuing to refine their techniques. The first step in combating these attacks is better understanding their common tactics in order to implement institutional best practices.

Supply Chain Cyberattacks: Evolving Technology but Familiar Tactics

How They Work

A supply chain cyberattack takes advantage of trusted relationships between supply partners. All organizations have a level of implicit trust in other companies as they install and use the company's software within their networks or work with them as a vendor. Hackers often opt for the path of least resistance, targeting the weakest link in a chain of interconnected ecosystems and software, due to their ability to infiltrate multiple organizations through a single point of compromise.

Thus, even if your organization is well-defended and has a strong cybersecurity program in place, in the event one of your trusted vendors is not secure, attackers will target that vendor to bypass whatever security is in place in the vendor's organization. They launch phishing schemes or social engineering attacks to compromise the credentials of a vendor's employee.

Once the attackers gain a foothold within a vendor's system, we have seen them explore and exploit vulnerabilities by moving laterally across the network. For example, they may exploit unpatched software vulnerabilities, weak access controls, or misconfigured systems to escalate their privileges and further deepen their penetration to use it as a launchpad to deploy malware or malicious code or otherwise gain access to the networks of the primary target organizations. This weak-link pathway bypasses otherwise extremely difficult security measures to attack directly.

These threats have global implications. We have seen hackers – intentionally or unintentionally – gain control over any organization's entire infrastructure, even if it has not been directly targeted. Also, as mentioned above, it is not just immediate suppliers that organizations must worry about; the risks could run much deeper into the supply chain with third- and fourth-party suppliers, as the impact of a single supplier being disrupted can affect multiple parties down the chain.

Some Common Types of Cyberattacks Impacting Supply Chains

While tactics like phishing, ransomware, and malware remain widespread, the rapid evolution of artificial intelligence (AI) is making the cybersecurity landscape even more challenging. In fact, 16% of data breaches already reported in 2025 have involved some form of AI.[9] Threat actors are now leveraging AI to generate highly convincing deepfake impersonations, craft realistic phishing campaigns with unprecedented speed, and identify and exploit vulnerabilities across complex supply chains.[10] For instance, threat actors may use AI to quickly scan publicly accessible profiles of the target company's

Software Attacks

- Focuses on the source code of a vendor's software, where the attacker injects their malicious code into a trusted application.
- Could also occur where an update server is compromised, allowing the attacker to substitute a legitimate library with their own.

Hardware Attacks

- Relies on compromising actual physical devices such as USB drives, phones, tablets, and even keyboards and inserting backdoors into the hardware.
- Intended to infect a gadget at an early state of its development and then use it as a gateway into wider network systems.

Firmware Attacks

- Involves injecting malware into the boot code. The malware runs after the computer boots up, putting the entire system at risk.
- These types of attacks are fast, often undetected (unless you specifically protect against them), and extremely dangerous.

AI Attacks

- Leverages AI systems to rapidly analyze large volumes of code and uncover vulnerabilities.
- Intended to quickly exploit vulnerabilities and create deceptive content that is hard to detect with traditional security measures.

executives and use such information to create phishing emails, tailored to each recipient's role and communication style, directing unknowing employees to click malicious links that reveal their login credentials to unauthorized third parties.

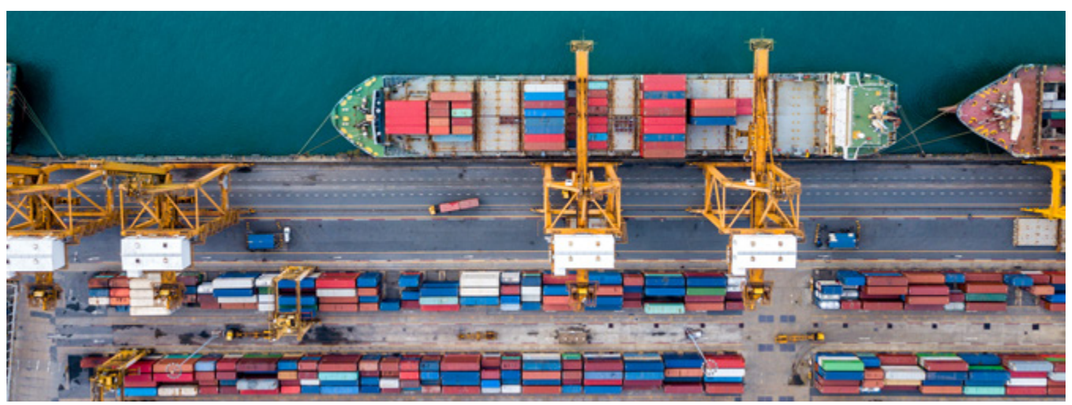
Three high-profile cybersecurity incidents to supply chains illustrate these tactics in action.

- Ransomware Attack Impacting in the Energy Sector (January 2024): A multinational energy management corporation suffered a substantial ransomware attack after threat actors, believed to be associated with the Cactus ransomware gang, gained initial access to its systems by exploiting a vulnerability related to a VPN device. The attackers claimed to have exfiltrated 1.5TB of sensitive data, and leaked 25 MB of this data, which included copies of non-disclosure agreements and scanned passports of American citizens. To date, the cost of this attack and the number of customers affected is not currently known. However, it is likely significant given the corporation serves more than 2,000 customers worldwide.[11]
- Cloud-Based Data Platform Hack (April 2024): A popular cloud-based data platform experienced a significant data breach when a software engineer used credentials stolen through infostealer malware to infiltrate the network. This breach compromised the data of 165 customers, who collectively process data for over 500 million individuals. As of the date of this writing, the total cost of the breach remains unknown.[12]
- Ransomware Attack on a Global Logistics Provider & Freight Forwarder (Aug. 2024). A major global logistics and freight forwarding company experienced a ransomware attack, causing technical disruptions and impacting service delivery. Customer service, billing, payment systems, and data integration with customers' and vendors' systems were all impacted. The central operations system, and customer-facing portal were offline for several days (with the effect of the latter preventing customers from tracking their shipments in real time, creating logistical challenges globally). As of the date of this writing, the total cost of the incident remains unknown.[13]

Best Practices for Mitigating Cyber Risks Across Your Supply Chain

Be proactive. Supply partners must adapt to these surging threats by managing and preparing for supply chain risks and cyber-related disruptions rather than merely reacting to problems as they occur. Your supply chain is only as strong as its weakest link. Think internally and across your supply chain to implement security protocols.

1. Security by Design. Implement security by design principles during the product development and implementation phases. By embedding security measures early, organizations can reduce exploitable flaws and help bolster the resilience of their supply chain systems.
2. Risk Management Framework. Implement a comprehensive risk management framework that integrates Cyber Supply Chain Risk Management (C-SCRM) principles.[14] C-SCRM is a systematic process for managing exposure to cybersecurity risk throughout supply chains and developing appropriate response strategies, policies, processes, and procedures. In addition, the National Institute of Standards and Technologies ("NIST") Cybersecurity Framework (CSF) 2.0 provides a structured approach to managing cyber risks and can serve as a foundation for organizations of all sizes and sectors to develop their risk management strategies.[15] CSF 2.0 also includes additional C-SCRM outcomes to help organizations address these risks. The subcategories within the CSF C-SCRM Category GV.SC serve as a bridge, linking cybersecurity-focused outcomes with broader C-SCRM objectives.
3. AI and Software-as-a-Service ("SaaS") Governance. Catalog and control the use of all internal (e.g., employees) and external parties' (e.g., suppliers) AI solutions and SaaS tools to help minimize exploitable vulnerabilities throughout the supply chain. As AI evolves, organizations should update security training for AI-driven threats, assess third-party risks, and establish AI governance to maintain security. It's critical to remember that a governance program is only effective if employees understand how to correctly adhere to its policies and procedures.
4. Vendor Due Diligence. Conduct thorough due diligence when selecting vendors, and assess their cybersecurity posture, incident response capabilities, resilience, and adherence to applicable laws, regulations, and industry standards in relation to data protection and security. This helps in identifying and mitigating potential risks associated with third-party vendors.
5. Thorough Assessments of Existing Vendors. Regularly carry out security assessments and audits of existing vendors to evaluate the effectiveness of cybersecurity controls and practices and to ensure compliance with relevant security standards and other applicable legal and contractual requirements throughout the supply chain lifecycle. It is also recommended that you implement C-SCRM practices to identify and mitigate supply chain risks associated with third-party providers. In addition, vendor management requires effective communication throughout the organization to ensure that any material issues or security-related issues involving third-party vendors are properly escalated up the chain for remediation.
6. Vendor Contracts. Ensure there are robust cybersecurity requirements in every RFP and contract with a key supply chain provider that covers or addresses, at a minimum, clearly defined responsibilities and liability allocation with vendors, resiliency of the providers' own systems, regular training of its personnel, prompt notice of security incidents and continued cooperation with your organization in connection therewith, periodic audits, subcontracting, and other related measures necessary for compliance with applicable laws and industry standards. Companies should also regularly review and update existing vendor contracts to ensure that sufficient cybersecurity requirements are in place and seek addenda where there are not.
7. Continuous Monitoring and Detection. Implement continuous monitoring and detection mechanisms to identify and respond to cyber threats in real-time. For example, organizations should consider utilizing threat intelligence feeds, security information and event management (SIEM)



systems, and intrusion detection/prevention systems to monitor for suspicious activities and anomalies involving systems and/or software used within your supply chain.

8. Secure Access Controls, Encryption Measures, and Patch Management. Implement robust access controls and data encryption measures to protect sensitive information shared within the supply chain. Encrypting data both at rest and in transit helps in safeguarding it from unauthorized access or interception. Access controls (e.g., multi-factor authentication, role-based access controls, least privilege principles, etc.) help limit access to critical assets and systems by third-party providers. In addition, keep all software, including operating systems and applications, up to date with the latest security patches. Regular updates ensure vulnerabilities are promptly addressed.
9. Incident Response and Business Continuity Plans. Develop or update existing incident response plans to include processes for responding to cyber incidents involving or otherwise originating from key third-party supply chain providers (and with relevant C-SCRM practices baked in to address supply chain-specific threats and vulnerabilities). In addition, it would be prudent to develop and regularly test business continuity and disaster recovery plans to ensure continuity of operations in the event of a supply chain cyberattack.
10. Education and Awareness. Provide regular cybersecurity awareness training to employees, suppliers, and stakeholders to (i) educate them about the importance of common cyber threats and best practices, (ii) promote awareness about C-SCRM principles and the importance of supply chain security in mitigating cyber risks, and (iii) help them recognize and encourage them to report potential cyber threats.

Conclusion

For manufacturers expanding their U.S. footprint, now is the time to treat cybersecurity not as a compliance checkbox, but as a strategic enabler. A resilient supply chain isn't just safer — it's smarter, more agile, and better positioned for long-term success.

Otherwise, neglecting supplier risk management poses risks of significant financial loss, intellectual property theft, reputational damage, and societal impact. Although cyber threats are unavoidable, businesses can significantly minimize their effects by establishing a strong supplier risk management framework and enhancing security measures. In doing so, businesses will be able to better protect their valuable assets, reputation, and stakeholder relationships.

1 *See* IBM X-Force 2025 Threat Intelligence Index, available at https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/2025-threat-intelligence-index (last accessed Aug. 17, 2025).

2 *See* Cowbell Cyber, Cyber Roundup Report 2024, p. 4, https://cowbell.insure/wp-content/uploads/pdfs/CB-US-Q4-CyberRoundupReport24.pdf (last accessed Aug. 17, 2025).

3 *Id.* at p. 17.

4 PonemonInstitute (sponsored, analyzed, and published by IBM), *Cost of a Data Breach Report 2025* (Aug. 2024) (hereinafter, "Cost of a Data Breach Report"), at p. 4, available at https://www.ibm.com/reports/data-breach (registration required to access content) (last accessed Aug. 17, 2025).

5 *Id.* at p. 18.

6 Gartner, *Gartner Says Compliance Leaders Need Consistent Communication with Relationship Owners to Effectively Manage Third-Party Risk* (April 23, 2025), https://www.gartner.com/en/newsroom/press-releases/2025-04-23-gartner-says-compliance-leaders-need-consistent-communication-with-relationship-owners-to-effectively-manage-tihird-party-work.

7 *See Cost of a Data Breach Report*, at p. 18.

8 *See id.*

9 *See id.* at p. 38.

10 *See id.*

11 Secureframe, *20 Recent Cyber Attacks & What They Tell Us About the Future of Cybersecurity* (Jul. 15, 2025), available at https://secureframe.com/blog/recent-cyber-attacks (last accessed Aug. 17, 2025).

12 Ravie Lakshmanan, *Snowflake Breach Exposes 165 Customers' Data in Ongoing Extortion Campaign* (Jun. 11, 2024), available at https://thehackernews.com/2024/06/snowflake-breach-exposes-165-customers.html (last accessed Aug. 17, 2025).

13 World Economic Forum, *Why Cyber Resilience Should be a Top Priority for Freight Forwarders* (Jun. 4, 2025), available at https://www.weforum.org/stories/2025/06/cyber-resilience-top-priority-for-freight-forwarders/.

14 NIST SP 800-161 Rev. 1 (2024), https://csrc.nist.gov/pubs/sp/800/161/r1/upd1/final.

15 NIST Cybersecurity Framework (CSF) 2.0 (2024), https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.29.pdf.

Where Should You Build? Labor Considerations in Siting and Expanding U.S. Operations

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Key Takeaways

- Workforce availability and skills are critical factors in site selection. Companies must evaluate not just current labor pools but also demographic trends and educational attainment to ensure long-term access to qualified workers.
- Labor costs vary significantly by region. Differences in wage-and-benefit costs along with state mandates can dramatically affect operating expenses and overall ROI.
- The local labor environment influences long-term stability. Unionization risks and labor laws differ across states, shaping the ease of workforce management and potential exposure to labor disputes.

You've made the most difficult decision. You've weighed the pros and cons, and you're going to reshore (or expand) your U.S. manufacturing operations. You're committed to investing the millions (or tens or hundreds of millions) of dollars needed to build and ramp up a new greenfield facility or retrofit a brownfield site in the U.S.

You know this will be one of the most expensive and important decisions your company will ever make, so you've got to get it right. Among the questions swirling around in your mind, one stands out above all others: Where? Where do we invest this huge sum of capital in order to maximize our ROI?

While every business will have unique factors to consider when answering this critical question, almost all will need to consider a fundamental one: the workforce that will staff the operation. Without the right workforce, all the new construction, equipment purchases, and marketing campaigns could amount to nothing.

This article identifies various labor factors that could affect where you site a new manufacturing operation and measures states' scores across each one. To be sure, individual circumstances (e.g., the level of automation in the operation and the technical capabilities demanded by the work) and perspectives (e.g., the importance of remaining union-free) will affect how each business weighs each factor. But looking at all of the statistics holistically provides a great starting point.

1. Labor Availability

The most basic labor consideration is simply being able to find qualified people to work in your new operation. Anyone who tried to hire workers through the post-COVID recovery boom in 2022 knows just how hard it was to find – and retain – capable candidates.

Available Worker Ratio. Of course, it was even harder in some states than others. Not surprisingly, the availability of labor is not spread evenly across the United States. The nationwide average of available unemployed workers per 100 job openings is 98, suggesting that there is roughly one potential applicant per opening (putting aside questions about the right skill set).

However, some states have consistently had more "available" labor than others. For example, California currently has 150 unemployed workers for every 100 job openings, suggesting that there is a broadly available labor force able to take on new jobs. By contrast, Alabama has just 69 unemployed workers per 100 job openings.

Unemployment Rates. This variance in available labor is likewise reflected in states' unemployment rates. Those states with more "available labor" tended to have

slightly higher unemployment rates (generally a good thing if you're increasing the hiring demands on a local population). For example, California's unemployment rate is 5.3% while Alabama's is just 3.3%.

Demographic Trends. Yet another factor to consider is long-term population trends. Reshoring or expanding US manufacturing operations is a long-term play, requiring a consideration of not just today's labor market, but the likely market for generations to come.

From 2020 to 2050, the U.S. working age population (20-64) is projected to grow 7.0%. However, some states, generally in the South and Mountain West, are projected to grow much faster (e.g., Colorado (28.0%) and Florida (25.9%)), while others are projected to be stagnant or even decline (e.g., Illinois (-14.2%)). So even if a state has an attractive labor market today, there is no guarantee that will remain the case in future years.

Educational Levels. Finally, in many cases, the question isn't about simply finding a live body to fill a role. It's about finding the right skill set, whether that's a plant manager, a welder, or a financial analyst. No single statistic can capture all the nuances of the skills gap. However, looking at educational attainment rates provides a good proxy for the general availability of skilled labor.

A majority of adults (25-and-over) in a handful of states (including Colorado and Minnesota) have at least an associate's degree. In other states (including Arkansas and Louisiana) the rate is less than one third.

2. Labor Costs

Finding a location with an attractive workforce is Step 1. Next, you have to determine how much you will likely need to pay to attract and retain the talent you need. Of course, labor costs are one part of a much larger economic analysis. But there are clear and stark differences in regional compensation that affect the bottom line.

Average Manufacturing Wage Rates. Six states (California, Colorado, Connecticut, Texas, Washington, and Wyoming) have an average hourly manufacturing wage rate higher than $30, while the average rate in seven states (Arkansas, Georgia, Kansas, Montana, Mississippi, Nevada, and North Carolina) is below $24.

Average Benefit Costs. Regional differences in the costs of fringe benefits can be driven by both state and local government mandates (e.g., mandatory paid sick leave), state insurance rules, and market demand. Collectively, these can create large disparities between the highest and lowest cost regions to provide benefits. In New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont), the average cost of private sector employee benefits is $17.61 per hour, versus just $9.16 per hour in the "East South Central" region (Alabama, Kentucky, Mississippi, Tennessee).

3. The Labor Environment

Finally, the likelihood of unionization is another factor that employers may wish to consider when deciding where to site their operation. New and growing facilities offer a ripe target for union organizers, and the substantial increase in union election petitions has made the risk of union organizing much more salient in recent years.

Right-to-Work Laws. Some states actively encourage union organizing by requiring all workers employed in a union facility to pay dues to the union, regardless of whether the worker supports the union or not. Other states have "right-to-work" legislation, which allows workers to opt out of paying dues if they choose to do so. Not surprisingly, union organizers are less eager to organize in states with right-to-work laws, given that they do not have the same captive market for dues that they have in non-RTW states.

As of publication, twenty-seven states, primarily in the South, Midwest, and Mountain West, have right to work laws. Most recently, Kentucky, Wisconsin, and West Virginia adopted right-to-work laws, while Michigan repealed its law in 2024.

Unionization rates. Not surprisingly, there is a statistically significant correlation between mandatory union dues payments and the rate of unionized employees. The union organization rate in states like New York (21.9%), Washington (18.3%), and California (16.3%) can be five times higher than in states like Georgia (4.4%), South Carolina (4.1%), and North Carolina (3.1%).

4. Labor Intelligence Drives Reshoring Success

Labor is just one piece of the reshoring puzzle — but it can be the piece that determines whether new U.S. operations thrive or stall. An informed siting decision supports long-term operational success. The attached Reshoring Scorecard offers a high-level assessment of each such consideration, and the Detailed Data table provides the raw data and source materials. Don't stop with the data. The most successful manufacturers pair analytics with strategic foresight to build operations that last.

Reshoring Scorecard

State	LA	UR	AD	DT	WC	BC	UN	RTW
AL	63	3.0%	38.1%	0.4%	$24.50	$9.16	7.8%	Yes
AK	97	4.8%	40.8%	-4.5%	$25.05	$16.56	19.5%	No
AZ	105	4.1%	42.6%	16.0%	$25.91	$11.37	4.5%	Yes
AR	68	3.7%	34.6%	-4.3%	$22.44	$11.30	4.4%	Yes
CA	155	5.5%	45.3%	1.4%	$30.51	$16.56	16.3%	No
CO	109	4.5%	54.6%	28.0%	$32.52	$11.37	8.0%	No
CT	96	3.8%	50.7%	-11.0%	$31.38	$17.61	17.8%	No
DE	92	4.1%	44.7%	12.7%	$28.25	$11.78	8.9%	No
FL	88	3.7%	45.0%	25.9%	$29.83	$11.78	6.3%	Yes
GA	65	3.4%	43.7%	13.3%	$23.97	$11.78	4.4%	Yes
HI	73	2.7%	48.0%	3.3%	$29.33	$16.56	27.5%	No
ID	86	3.7%	41.7%	35.2%	$24.03	$11.37	5.9%	Yes
IL	107	4.6%	46.4%	-14.2%	$25.82	$13.28	14.2%	No
IN	92	3.6%	39.4%	-1.0%	$25.88	$13.28	10.4%	Yes
IA	98	3.7%	43.8%	0.1%	$25.05	$11.80	8.3%	Yes
KS	87	3.8%	45.1%	-5.4%	$23.98	$11.80	8.0%	Yes
KY	98	4.9%	37.0%	-3.2%	$26.22	$9.16	11.2%	Yes
LA	89	4.5%	34.5%	-5.5%	$29.49	$11.30	5.0%	Yes
ME	58	3.2%	47.4%	-7.0%	$27.39	$17.61	15.3%	No
MD	78	3.4%	50.7%	5.9%	$26.72	$11.78	13.4%	No
MA	104	4.8%	55.1%	7.4%	$28.73	$17.61	15.6%	No
MI	144	5.3%	42.4%	-8.0%	$27.92	$13.28	14.7%	No
MN	69	3.5%	51.8%	6.1%	$28.50	$11.80	14.8%	No
MS	80	4.0%	36.7%	-14.6%	$22.52	$9.16	7.9%	Yes
MO	95	4.1%	41.9%	-5.8%	$27.65	$11.80	9.3%	No
MT	54	2.8%	45.1%	14.6%	$23.69	$11.37	13.1%	No
NE	72	3.0%	46.7%	7.4%	$25.65	$11.80	8.1%	Yes
NV	134	5.4%	37.5%	26.7%	$22.66	$11.37	13.4%	Yes
NH	63	3.1%	50.5%	-2.5%	$27.35	$17.61	10.6%	No
NJ	118	4.9%	50.6%	2.1%	$25.62	$17.23	17.4%	No
NM	84	4.2%	40.7%	-6.9%	$24.58	$11.37	8.8%	No
NY	75	4.0%	49.7%	-1.0%	$27.71	$17.23	21.9%	No
NC	65	3.7%	46.9%	10.5%	$23.31	$11.78	3.1%	Yes
ND	51	2.5%	47.3%	35.7%	$26.42	$11.80	6.3%	Yes
OH	110	5.0%	41.2%	-6.7%	$26.56	$13.28	13.3%	No
OK	61	3.1%	37.0%	2.6%	$26.35	$11.30	6.2%	Yes
OR	121	5.0%	47.0%	16.0%	$29.15	$16.56	17.5%	No
PA	105	4.0%	44.3%	-6.3%	$26.66	$17.23	12.4%	No
RI	104	4.8%	46.6%	-1.4%	$25.86	$17.61	15.3%	No
SC	75	4.2%	42.5%	14.6%	$25.83	$11.78	4.1%	Yes
SD	48	1.9%	45.4%	11.1%	$25.07	$11.80	3.7%	Yes
TN	68	3.6%	39.7%	11.1%	$24.54	$9.16	5.6%	Yes
TX	110	4.0%	42.3%	30.4%	$30.42	$11.30	5.4%	Yes
UT	79	3.3%	48.1%	37.8%	$27.02	$11.37	7.8%	Yes
VT	53	2.6%	52.5%	-5.8%	$26.14	$17.61	15.8%	No
VA	66	3.6%	50.2%	7.9%	$26.45	$11.78	5.7%	Yes
WA	127	4.5%	50.2%	28.3%	$32.35	$16.56	18.3%	No
WV	63	3.7%	32.6%	-20.2%	$25.19	$11.78	10.0%	Yes
WI	76	3.1%	44.9%	-5.0%	$26.33	$13.28	6.9%	Yes
WY	64	3.3%	42.1%	-6.6%	$33.77	$11.37	6.7%	Yes

Key

Labor Availability (LA): The number of job seekers for every 100 job openings in July 2025. *U.S. Bureau of Labor Statistics (BLS), Job Openings and Labor Turnover Survey (JOLTS).*

Color coding key:

Labor Availability

- Green: 100+
- Yellow: 75-99
- Red: <75

Unemployment Rate (UR): The percentage of workers participating in the labor market (working or currently searching for work) who did not have a job in July 2025. *BLS, JOLTS.*

Color coding key:

Unemployment Rate

- Green: >4.0
- Yellow: 3.5-4.0
- Red: <3.5

Associate's Degree Percentage (AD): The percentage of adults 25 and older who had obtained an Associate's (or higher) Degree in 2023. *U.S. Census Bureau, American Communities Survey.*

Color coding key:

Associate's Degree Rate

- Green: 47.0%+
- Yellow: 42.0%-46.9%
- Red: <42.0%

Demographic Trends (DT): The estimated percentage change in working age (20-64) population from 2020 to 2050 as of 2024. *University of Virginia, Weldon Cooper Center for Public Service.*

Color coding key:

Demographic Trends

- Green: 10%+
- Yellow: 0-9.9%
- Red: <0%

Wage Costs (WC): Average hourly earnings of production employees on manufacturing payrolls in 2024. *BLS, Current Employment Statistics (State and Metro Area).*

Color coding key:

Wage Costs

- Green: <$25
- Yellow: $25-$27.99
- Red: $28+

Benefit Costs (BC): Average hourly fringe benefit costs for private employers in March 2025. *BLS, Employer Cost for Employee Compensation.* (Note: Data is regional, not state-by-state.)

Color coding key:

Benefit Costs

- Green: <$11.50
- Yellow: $11.51 - $15.00
- Red: $15.01+

Unionization Rate (UN): Percentage of wage and salary workers represented by a union in 2024. *BLS, Current Population Survey.*

Color coding key:

Unionization Rates

- Green: <8%
- Yellow: 8-14.9%
- Red: 15%+

Right-to-Work (RTW): Whether the state has enacted a law that allows individual workers in a union workplace to opt out of paying union dues without getting fired (Yes or No).

Color coding key:

Right to Work

- Green: RTW law in effect
- Red: No RTW law in effect

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