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Committee on Science, Space, and Technology  
Subcommittee on Research and Technology  
*Building a Network for Manufacturing Innovation*  
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OPENING STATEMENT

Thank you Mr. Chairman for holding this hearing. I am happy that we have Mr. Reed and Mr. Kennedy with us today to talk about their bill, and I look forward to hearing from them and all of our witnesses who are here to testify as the Subcommittee continues its examination of American manufacturing and efforts to revitalize this critical sector. The legislation we are discussing today is based in large part on the proposed National Network for Manufacturing Innovation or NNMI. I have been a strong supporter of the NNMI concept and I'm proud to cosponsor H.R. 2996.

Although we've heard time and time again about the crucial link between economic growth and a vibrant U.S. manufacturing sector, I think these facts bear repeating:

At 60 percent of all exports, manufacturing is the largest contributor to U.S. trade. Manufacturing employs more than 11 million Americans in jobs providing above average pay and benefits. The sector adds approximately \$1.6 trillion to our gross domestic product. According to the Bureau of Economic Analysis, manufacturing has a larger multiplier effect than any other major economic activity - \$1 spent in manufacturing generates \$1.35 in additional economic activity. And finally, manufacturing accounts for nearly 70 percent of private sector research and development.

Behind all of these facts and figures is the strong link between manufacturing and innovation. And let's be honest, our nation's competitive edge is slipping. We have to take note of countries such as Korea, Japan, and Germany that have a larger share of the advanced manufacturing sector than the United States. These nations and others are investing heavily in manufacturing and innovation and they are doing so in a much more comprehensive way than we are. It's not as if the federal government isn't doing any good work in the areas I mentioned, but if we want to create the environment that will produce the high-paying jobs of the future and help this country keep its competitive edge, then we need to do more to support and expand advanced manufacturing.

The legislation we are discussing today has the potential to do just that. The manufacturing institutes created under the proposal can serve as centers of manufacturing excellence, accelerating innovation and the transition of cutting-edge manufacturing technologies and processes to the marketplace. They can also serve as the nexus for addressing our manufacturing talent shortage. I think it is important for our manufacturing workforce – from scientists and engineers to production workers and technicians – to have access to and experience with new, innovative technologies.

As I understand it, H.R. 2996 is modeled after the successful Fraunhofer Institutes in Germany. Many experts believe Germany has been able to withstand the global financial crisis in large part due to its focus on innovative technologies as a key driver of economic growth. The Fraunhofer Institutes are widely considered to be a central and key component of the country's high-tech strategy.

Based on Germany's success, a number of countries, including Britain and France have adapted the Fraunhofer model to improve the competitiveness of their manufacturers. And in fact, sources ranging from a recent National Research Council report to groups like the National Association of Manufacturers have called for the establishment of a similar network of public-private manufacturing centers in the United States.

Simply put, "Made in America" equals American jobs and a strong economy. Now when our position as a global leader in science and technology is being threatened, we can't afford to lose our capacity to create the breakthrough technologies of tomorrow.

Mr. Chairman, we must adopt smart policies that encourage innovation and investment in manufacturing. I believe H.R. 2996 is a smart policy. I look forward to working with you and all of my colleagues to advance legislation like this that will help keep American manufacturing strong.

Thank you, Mr. Chairman and I yield back the balance of my time.