

Committee on Science, Space, and Technology
Subcommittee on Research and Technology
Strategic Planning for Manufacturing Competitiveness
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Opening Statement
By
Ranking Member Daniel Lipinski

I would like to thank Chairman Smith and Chairman Buschon for holding this hearing on the bipartisan bill I have introduced with Rep. Kinzinger, the American Manufacturing Competitiveness Act, H.R. 2447.

I have been working for the last 4 years on bipartisan legislation that would put more Americans to work by creating an economic environment that would boost domestic manufacturing. In each of the past two Congresses – under both Democratic and Republican majorities – the bill has passed with overwhelming support. I am hopeful that we can now work together to not only pass a bill in the House, but finally get this common-sense idea into law.

At its core, this legislation is simply about bringing the private and public sectors together to develop a forward-looking set of recommendations for the tax, workforce, energy, trade, R&D, regulatory, and other policies that will best enable domestic manufacturers to compete globally and put more Americans to work.

A vibrant manufacturing sector is critical for America's economic growth and the success of the middle class. In 2011, manufacturing contributed \$1.8 trillion to our nation's economy and accounted for 47 percent of all U.S. exports. Successful manufacturers provide the economy with huge job numbers. For example, Boeing employs 172,000 people compared to Facebook which employs about 3,000 people. These are jobs with wages and benefits that are one-third higher than in other sectors. Plus manufacturing has an incredibly high multiplier effect. For every manufacturing job we create, we add five additional jobs. And as a source of nearly two-thirds of U.S. investment in research and development, manufacturing drives innovation. When we lose our capacity to manufacture, we lose much of our ability to create the breakthrough technologies and products of tomorrow. Simply put, "Made in America" equals American jobs and a strong economy.

And let us never forget that manufacturing is critical to defending America. We cannot afford to outsource our nation's defense.

But while manufacturing remains vital to the American economy, since the 1970s the number of manufacturing jobs has been shrinking, from 20 million in 1979 to fewer than 12 million today. The recent recession hit workers in manufacturing especially hard, and China is poised to overtake America as the world leader in manufacturing. The hemorrhaging of manufacturing jobs has contributed to the stagnation of middle-class wages – since 2000, the inflation-adjusted median household income has fallen by about \$4800.

But recently there has been some good news, with American manufacturing showing signs of a comeback. Continued American leadership in innovation and a domestic energy boom could help spur a manufacturing renaissance. However, challenges remain and need to be addressed. Many other nations have national manufacturing strategies. This is not just countries like China, but also Japan, Germany, and the United Kingdom, among many others, have strategies to help their domestic manufacturers. Meanwhile the U.S. has a multitude of overlapping federal agencies and policies that impact manufacturers without any coordination.

Let me be clear, what this bill calls for is not an industrial policy or picking winners and losers. But the federal government already has countless departments, agencies, programs, and policies that affect manufacturing, from our tax code to our energy and environmental policies to name just a few.

Most importantly for this Committee, our government also has policies and programs related to research and development, technology transfer, education and workforce.

However, we have no one examining the impact that government policies are having on manufacturing and how we can be more efficient and effective. This is why I have introduced this legislation. Through coordination of various government agencies that are most involved in manufacturing, and most importantly, coordination with private sector leaders, an evaluation would be conducted of our manufacturing sector's current state and what policies would create the best economic environment in which manufacturers would thrive. And it is vitally important that this be a recurrent effort, wherein we can reassess the global and domestic economic environment, technology developments, and other events that will help the United States adapt its policies with the changing world.

At the end of the day, this bill is about setting aside politics and implementing policies that will create an environment conducive to the flourishing of American manufacturing, which is vital for middle class American jobs and for national security. If we continue to muddle through without a coordinated plan, government will still be impacting manufacturing, but in an uncoordinated, often inefficient, sometimes wasteful manner that handcuffs American business.

We should change this policy.