

Opening Statement
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Assembling the Facts: Examining the Proposed
National Network for Manufacturing Innovation
May 31, 2012

Thank you, Mr. Chairman, for holding today's hearing to examine the proposed National Network for Manufacturing Innovation. I'd like to thank Dr. Gallagher for being here this morning and for his leadership both at NIST and as part of the Administration's current efforts to revitalize American manufacturing.

Although we've heard time and time again in this Committee about the crucial link between economic growth and a vibrant U.S. manufacturing sector, I think it bears repeating.

American manufacturing employs more than 11 million Americans in high-paying jobs;

In 2010, manufacturing contributed \$1.7 trillion to the Nation's economy and accounted for 60 percent of all U.S. exports;

Manufacturers account for nearly two-thirds of U.S. investment in research and development;

For every manufacturing job we create, we add five additional jobs along the supply chain. And for every dollar in manufacturing value added, we create \$1.40 in new value in other sectors.

Advanced manufacturing is expected to create even more jobs. In fact, a study by the Milken Institute has shown that every job created in electronic computer manufacturing generated an additional 15 jobs.

And, finally, innovation in U.S. manufacturing enables our companies to develop new technologies and new products, and helps keep the U.S. competitive.

Simply put, "Made in America" equals American jobs and a strong economy.

Unfortunately, this Committee has also heard that the United States' competitive edge in manufacturing has slipped. According to the Council on Competitiveness, the United States ranks fourth in global manufacturing competitiveness and is expected to fall to fifth place in five years.

Countries such as Korea, Japan, and Germany have a larger share of the advanced manufacturing sector than the U.S. If we do nothing and settle for the status quo, our position will almost certainly decline further and our economy will continue to struggle.

Thankfully, the Administration has renewed its commitment to American manufacturing and is focused on ensuring that the U.S. is the global leader in advanced manufacturing. The truth is that the perception of manufacturing as low-skilled, assembly line work is outdated and no longer applies. The future of manufacturing is advanced manufacturing, a high-tech endeavor that uses sensors, robotics, and cutting-edge modeling and simulation. Biomanufacturing and nanomanufacturing processes are, and will be, conducted by high-skilled and highly trained technicians in lab-like environments.

If we want to create high-paying jobs and help this country keep its competitive edge, then we need to move forward with policies and programs that will expand and support the development of advanced manufacturing. One such proposal, the National Network for Manufacturing Innovation (or NNMI), is the topic of today's hearing.

The purpose of the proposed NNMI program is to establish up to 15 public-private manufacturing institutes across the country. These institutes will serve as centers of manufacturing excellence that will accelerate innovation in manufacturing and help transition cutting-edge manufacturing technologies from the lab to the marketplace.

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

Based on Germany's success, a number of organizations - including the Council of Competitiveness, the Manufacturing Institute at the National Association of Manufacturers, the President's Council of Advisors on Science and Technology, and the Information Technology and Innovation Foundation - have called for the establishment of a similar network of public-private manufacturing centers in the United States to accelerate the development and deployment of advanced manufacturing technologies.

I believe the NNMI concept has significant merit, and am excited by the Administration's proposal. I am eager to learn more today about how NIST and the Administration plan to execute this initiative.

I am specifically interested in learning how the proposed additive manufacturing pilot Institute will be structured and how it will be coordinated with the broader Network to ensure that "lessons learned" will be applied. I am also looking forward to learning more about how the interagency partners are working together to make this Network a reality.

Certainly, the challenges facing U.S. manufacturers are urgent. The truth is that we simply can't afford to wait. If we are committed to a vibrant manufacturing sector and to improving our competitive position in advanced manufacturing, it is precisely the time for bold ideas and devoted leadership. I look forward to working with Dr. Gallagher, the Chairman, and my colleagues on implementing this initiative and ensuring that it is effective and successful.

Thank you, again, Mr. Chairman, for calling this important oversight hearing. I yield back the balance of my time.