

COMMITTEE ON
**SCIENCE, SPACE, AND
TECHNOLOGY**
CHAIRMAN LAMAR SMITH



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**Statement of Research and Technology Subcommittee Chairman Larry Bucshon (R-Ind.)
Hearing on Strategic Planning for National Manufacturing Competitiveness**

Chairman Bucshon: Good afternoon, I'd like to welcome everyone to today's hearing, which is being held to examine H.R. 2447, the "American Manufacturing Competitiveness Act," sponsored by the Subcommittee's Ranking Member, Mr. Lipinski.

Manufacturing has been a critical part of American economic competitiveness since the industrial revolution. Many of the groundbreaking technologies that are widely deployed today are the result of American ingenuity and manufacturing.

Manufacturing represents approximately 11 percent of the American economy, and manufacturing output has risen by 13 percent over the last several years. Manufacturing also has the greatest multiplier effect of any major sector in the American economy. According to the Bureau of Economic Analysis, each dollar spent in manufacturing generates an additional \$1.35 in spending.

In my state of Indiana, there are 9,698 manufacturers employing 556,537 workers; with 16.4 percent of our workforce employed in the manufacturing industry, Indiana ranks first in manufacturing employment and second in manufacturing as a gross state product. The 8th district of Indiana is home to many of these manufacturers and I have seen the work being done firsthand at manufactures like Berry Plastics, whose CEO will be testifying before us today, Toyota Motor and Alcoa. Along with the many manufacturers in our district, universities like Vincennes University, the University of Evansville and the University of Southern Indiana offer degrees related to advanced manufacturing and work closely with these entities to develop a talented and well-trained workforce.

Clearly, manufacturing is of critical importance to the American economy. However, employment in this sector is significantly lower as a share of the economy than in the post-World War II era. Further, we have seen reports from prominent think tanks such as the Information Technology and Innovation Foundation, arguing that America is losing its competitiveness in manufacturing and may suffer relative decline as a result.

As a country, we lack a strategic plan to guide economic policy decisions that affect American manufacturing competitiveness. We have heard a number of proposals by the Administration to establish expensive federal manufacturing programs. However, these programs have come without a plan that addresses the comprehensive competitive environment faced by America's manufacturers.

Today's hearing allows us to examine the "American Manufacturing Competitiveness Act of 2013," which calls on the National Science and Technology Council's Committee on Technology to develop a national manufacturing competitiveness strategic plan. It would also task the Committee with

conducting an analysis of the factors that affect American manufacturing competitiveness, such as tax, trade, workforce, and intellectual property factors.

The goals of the strategic plan are to promote economic and employment growth in the manufacturing sector, support a skilled workforce, enable innovation and investment in manufacturing, and support national security. I believe that such a strategic plan, if developed responsibly, can have positive implications for America's manufacturers and can lead to policies that improve our competitiveness.

However, I have reservations about the development and implementation of this plan. First, it is critically important that a strategic plan reflects the real needs of our nation's manufacturers and should not be politicized and used as a tool to advance favored interests. Second, reflecting the recommendations the President's Council of Advisors on Science and Technology, a manufacturing plan must not serve as industrial policy. The federal government should not be in the business of picking economic winners and losers. Finally, we should ensure that this plan does not promote manufacturing at the expense of other sectors in the economy.

I am looking forward to hearing from our witnesses on their thoughts about the proposed legislation, including any recommendations they have for improvements. We thank our witnesses for being here today and we look forward to your testimony.

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