

Opening Statement – Rep. Joseph P. Kennedy, III (MA-04)
Committee on Science, Space, and Technology – Subcommittee on Research and Technology
Hearing: “Building a Network for Manufacturing Innovation”

December 12, 2013

Chairman Bucshon, Ranking Member Lipinski, members of the Committee, thank you for the invitation to testify on the *Revitalize American Manufacturing and Innovation (RAMI) Act, H.R. 2996*, a bill I introduced with my colleague Congressman Tom Reed. I’d also like to recognize Senators Sherrod Brown and Roy Blunt for introducing companion legislation in the Senate.

Back home in the Commonwealth, machines are buzzing today. At AccuRounds in Avon, they are transforming 12-foot steel bars into sophisticated tools for everything from cornea surgery to national defense. At Thermo Fisher Scientific in Franklin, they’re lacing together complex engineering processes to build air quality monitors that help keep air clean around the country. At Johnson & Johnson in Raynham, digital 3-D models are becoming wax structures that ultimately give doctors the ability to model intricate spinal surgeries and create custom titanium joints.

From the Berkshires to the Blackstone Valley, Massachusetts manufacturers are innovating at a breathtaking pace and carefully rebuilding what our still-sluggish economy needs most: stronger, more sustainable pathways to middle class jobs. In doing so, they are promoting a model for economic development that is locally sourced and regionally driven.

And the Massachusetts story is not unique. Across the country, innovation industries are transforming the American economy and giving our once-fading manufacturing industry new legs in industries like advanced manufacturing, life sciences, information technology and defense.

For the past six months, manufacturing activity has steadily expanded. In November, it hit its fastest pace in 2.5 years and that growth is expected to continue. U.S. high-tech manufacturing is the largest in the world, accounting for \$390 billion of global value added in high-tech manufacturing in 2010. However, the share of the U.S. in the world market is declining, from 34 percent in 1998 to 28 percent in 2010. And, in 2011, the trade deficit of advanced technology products was equal to 17 percent of total U.S. trade deficit.

There is no doubt that manufacturing has suffered mightily these past few decades. But, the movement we see today is positive, slow and steady. In a time of growing income inequality; in a time of still-evaporating middle-class jobs and decreased economic mobility – I believe manufacturing can and should remain a cornerstone of our American economy.

As policy-makers, if we want the success we’ve seen in recent months to continue, then we must focus our efforts on better linking innovation with manufacturing – understanding that the latter is a critical vehicle for bringing the former to market.

I am proud to be here today to testify in support of this bill with my colleague, Congressman Reed, which we believe would accomplish these important goals. The *Revitalize American Manufacturing and Innovation Act* focuses on building – as MIT puts it – “industrial ecosystems” that bring together businesses, educators, innovators and government under one roof to pursue manufacturing processes relevant to the local economy.

Currently, very few of these coordinated regional support systems exist for manufacturers, innovators and entrepreneurs, outside of places like Cambridge and Silicon Valley, which leaves independent businesses to fend for themselves. RAMI aims to fix that, as Congressman Reed pointed out in his testimony.

The bill uses modest public funds to fuel the creation of these regional institutes, mandating that any partnership be wholly self-sufficient within 7 years. Most importantly, RAMI sets a strong framework and then lets local stakeholders take the reins.

This locally-driven, public-private partnership model is what has fueled so much success back home in Massachusetts, where Governor Patrick has created regional networks around Science, Technology, Engineering and Mathematics (STEM) education and a statewide Advanced Manufacturing Collaborative. These efforts have allowed Massachusetts to focus on the specific needs and strengths of different parts of our state and avoid a top-down, one-size-fits-all approach to economic development and job creation.

As a result, precision and advanced manufacturing businesses are steadily growing, bringing with them solid, middle-class jobs that hold enormous promise for the industrial communities that have long been the economic backbone of our state. Advanced manufacturing jobs in Massachusetts currently have an average annual salary of \$75,000 and economists forecast over 100,000 jobs in this sector opening up over the next decade as older workers retire — not to mention the brand new ones that will be created from any additional growth.

Mr. Chairman there is no question today we face a federal budget landscape that can seem unforgiving. But it is our responsibility – as the men and women elected to make policy decisions on behalf of a country struggling to find its economic footing – to employ some vision and some foresight when tackling these challenges; to look beyond politics today in the interest of progress tomorrow.

If we fail to plan for the future, if we fail to make the investments we need for the kind of country we want; then we will put this country on a path of economic stagnation that will be harder and harder to reverse.

I thank you and members of the subcommittee for this opportunity, and encourage your support of this bill.