

Hearing on H.R. 4692, the National Manufacturing Strategy Act of 2010
2322 Rayburn House Office Building

Members

Chairman Bobby L. Rush
Ranking Member Ed Whitfield
Rep. Betty Sutton
Rep. Stupak
Rep. Green
Rep. Gonzalez
Rep. Dingell
Rep. Murphy
Rep. Latta
Rep. Gingrey
Rep. Terry
Rep. Stearns
Rep. Murphy

Rep. Lipinski “permitted to question panel also”

Comments from members

Rep. Rush opening comments

“H.R. 4692, the National Manufacturing Strategy Act of 2010, has bipartisan support from members of Congress, including many who serve on this subcommittee. “Addressing manufacturing issues is not new to this subcommittee. Last year, we highlighted the need to make the exportation of manufactured goods a national priority for the simple fact that America’s manufacturing sector is an essential foundation of our nation’s economy. Consider the fact that in 2009, the manufacturing sector employed more than 11.5 million people. “Ladies and gentlemen, that number, though significant is not as good as it could be when you consider that, 10 years ago America’s manufacturing sector employed 17.3 million people—meaning that our nation actually lost *5.8 million jobs* between 1999 and 2009. We cannot allow this anymore and thankfully Obama agrees. This bill will return our manufacturing industry to being the best.

Rep. Whitfield’s opening comments

“The bill has good intentions, I won’t deny that.” However, there are a few things in the bill that concerns me. The manufacturing strategy appointed by the board bothers me. Also the several studies that are required to be done throughout the bill bother me. It starts to get too

complex. The bill also needs to bring the public and private sector together. The bill has potential but needs some work. “Which is why we are here.”

2 minute opening comments

Rep. Latta’s opening comments

I have some concerns with the legislation. We need a common sense joint manufacturing strategy for business small and large.

Rep. Gingrey’s opening comments

Over the past decade we have lost 5 million manufacturing jobs. Current Washington policies aren’t helping make jobs in the manufacturing industry. Things like the current administration are doing like the cap and trade and health care reform aren’t helping.

Rep. Green’s opening comments

We must support our domestic manufacturing capabilities. Also we need more federal programs to help with the lack of coordination with each other. We have the capacity to do more, and we are not!

Rep. Terry’s opening comments

Will this provide enough incentives to make companies manufacture here? And we have things like OSHA who have the ability to interfere with things. We have more interference with our companies here than companies do in China.

Rep Sutton’s opening comments

Manufacturing is the backbone of our country. We must stand up for the manufacturing jobs we have lost and will continue to lose if we do not do anything. Unfair trade policies cost our nation over 2.4 million jobs from 2004-2008. Chinese currency manipulation takes jobs from us. We must develop a trade model that ends China’s unfair policies. We must give our US business’s incentives to keep their jobs here.

Rep. Stearn’s opening comments

I don’t want to duplicate what has already been done. Could the president ask every CEO what needs to be done? Also our corporate tax is far too high. Lowering corporate tax rates and signing good trade treaties would be an important step.

Rep. Murphy's opening comments

Next year for the first time China will pass us in manufacturing. As much as I like green jobs we need to employ more people in coal. We need to employ people to do manufacturing strategies.

Rep. Dingell's opening comments

Several of our trade partners support national strategy and policy that helps them experience trade gains not trade deficits. However, our federal government must watch these trade partners closely and make sure they follow the laws. We cannot be taken advantage of because we follow the rules.

Rep. Scalise's opening comments

Wreckless activities from our administration like cap and trade and the moratorium on oil only hurt our manufacturing community.

Rep. Schakowsky's opening comments

Jobs have taken a huge hit as we know. More needs to be done. We must promote domestic manufacturing and improve the US in the global market.

Rep. Lipinski opening comments

This manufacturing strategy I propose we put forth has over 50 bipartisan endorsers. If we don't change our manufacturing trend we will continue to be vulnerable. This strategy will harmonize policy. "I'm looking forward to incorporating needed change suggested here today into the bill.

Witnesses

Aneesh Chopra, Associate Director for Technology and Chief Technology Officer, Office of Science and Technology Policy.

We must build on the president's strategy. The United States continues to lead the world in the production of manufactured goods, accounting for nearly 20 percent of global manufacturing output. The National Association of Manufacturers estimates that an increase in manufacturing creates more economic activity than a similar 2 increase in any other sector – every \$1.00 in manufactured goods generates an additional \$1.37 of economic activity. We must also highlight computation and modeling simulation. We must believe that US is still the land of opportunity, which I am confident is still true.

Scott Paul, Executive Director, Alliance for American Manufacturing

We need a manufacturing strategy. We must coordinate a government wide strategy. This isn't a radical idea. It is also not a partisan idea because both sides can and will need to work together. There are some

great minds that we need to bring together to come to a solution. One of the most important parts of all this is how we approach China.

Mark Gordon, Director, Defense Research Programs, National Center for Advanced Technologies.

Manufacturing is very important. We must have a coordinated strategy if we want our manufacturing to reach its fullest potential. Government bodies are not setting strategy and they need to be working together. There are some markup changes needed in H.R. 4692 but the bill is needed.

Bill Hickey, President and Chief Executive Officer, Lapham-Hickey Steel Co.

We view the full spectrum of US manufacturing. Our company processes steel and sells that processed product to customers across North America. We have thousands of customers in transportation, construction, metal fabrication, HVAC, machine tool, power generation, wind energy, just to name a few of the industries in which our customers produce manufactured products. We as a country have to grow. Our nation as a whole has to sometime think to themselves what happened? The job loss over the last 10 years is far too big. If we increase our economic growth obviously we have a job gain. Our policy is reacting to crisis right now. What it needs to be doing is looking to the future and putting crisis behind us.

Owen E. Hernstadt, Director, Trade and Globalization, International Association of Machinists and Aerospace Workers

A strong domestic manufacturing base is essential to US growth. And it is no secret millions of jobs have been lost over this decade because of our weakness. Some of our industry that was once great is now just shadows. European countries have demanded offset policies. To counter all of these the president must make a national strategy. Congress must enact some common sense into politicians and get something done.

Kevin A. Hassett, Senior Fellow and Director of Economic Policy Studies, American Enterprise Institute.

We can't interfere with economic policy and cause harm. The biggest problem is the corporation tax. In my many years in Washington, I have acquired the opinion that we tend to appoint task forces and commissions when we know what the right thing to do is, but are unwilling to do it. We need to coordinate and get things done. Let me ask you this. Is it the government's job to pick winners and losers? Our policy should promote sustainability.

Questions

Rush to Hickey: -A lot of Chicago's problems can be tracked to when US steel closed. A lot of companies like that have left the US and there is no easy way of overcoming losing them.

Hickey: A lot of steel companies can't compete with technological evolution. Old steel mills became obsolete, and when we lose jobs in the cities we must figure out how to bring them back.

Whitfield to panel: We all agree this is good legislation. Right gentleman?

Gordon: Many of the suggestions heard are good, but the bill is sound.

Hernstadt: There are a few minor recommendations that may need made.

Sutton to Hickey: -Why is manufacturing essential in creating real value?

Hickey: Manufacturing creates wealth. Trade deficits are huge, and everyone wants to sell to American. We have problems like China. The treasury department doesn't want to highlight currency manipulation. Someone has to stand up and say what is going wrong.

Sutton to Hassett: -Are we operating in a global market?

Hassett: Yes.

Sutton: So do you think China is manipulating their currency?

Hassett: I do not know.

Sutton: Is there a need for a more pro active thinking manufacturing strategy?

Hassett: Right now our companies have to pay a higher tax then competitors. Our best solution is to just fix the problem.

Murphy to Panel: How many of you own companies?

Hickey: I do

Murphy: So just one owns one, well how about the people making these major manufacturing decisions. Do they own companies "names entire cabinet"?

Panel: NO

Murphy: Who can we look for expertise in discussing H.R. 4692?

Gordon: People with an economic background

Hickey: People like the leader of Nucor steel.

Heinstadt: Workers

Hassett: I disagree with the panel, we need people of expertise that understand the policy and legislation.

Gonzalez to Hassett: Our task force will use a lot of consultation. You said with a task force you are irrelevant because you cannot compete

Hassett: I didn't say that, I just mean with all of these restrictions like a task force we are at a huge disadvantage compared to other countries.

Lipinski: There's always room to make things better. We need to listen to those on the front line who really know manufacturing. Do some of these companies going out of business impact our national security?

Gordon: Yes, when you leave the US you are no longer a sure thing and cannot be fully trusted.

Lipinski: Is it important that people from the top level coordinates a manufacturing policy?

Hicky: Yes, I've never seen any coordination. Too many people don't value manufacturing.