

**Testimony of Congressman Clay Higgins (LA-03)**  
**House Committee on Appropriations**  
**Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and**  
**Related Agencies:**  
Member Day - March 9, 2017

- Thank you Chairman Aderholt and Ranking Member Bishop, as well as the rest of the members of the Appropriations Subcommittee on Agriculture for allowing me to speak before you today.
- I am here today not to ask for your support on making sure certain programs are sufficiently funded, nor to laud a project in my district to sway favor with this committee. I am simply here today to talk to you about innovation, and ensuring that a competitive system is in place that promotes innovation in the completion of federally funded infrastructure projects.
- Thanks to abundant supplies of domestic natural gas, which the chemical industry transforms into the building blocks of thousands of consumer products and innovations, there has been unprecedented investment in the U.S. chemical manufacturing sector in recent years.
- More than \$170 billion and 280 manufacturing projects have been announced, creating economic growth and new jobs in communities across the country. Louisiana is one of the biggest beneficiaries of the growth of this growth chemical industry. In Louisiana alone, we have \$50 billion in planned investment in a total of 74 projects, many of which are located in the 3rd District of Louisiana, which I represent.
- We have over 25,000 employees in the chemical industry in Louisiana, and 110,000 related jobs. These are good, high paying jobs—at over \$100,000 they pay more than 47% more than the average manufacturing wage. It is exciting that the industry is

growing so quickly in the state because all of these new facilities will create thousands of high paying permanent jobs.

- It is absolutely critical that our national policies allow for free and fair bidding for projects to assure the most efficient use of scarce federal resources.
- I am sure that each of you are aware that the constituents we represent are speaking enthusiastically about the historic opportunity we are currently presented with to set our nation on a path of economic prosperity that benefits all U.S. citizens. However, this will not be accomplished with words alone. There are significant barriers to the completion of this mission, and we must find ways to navigate these issues.
- One of the most obvious hurdles is the drastic need to update and restore the infrastructure our nation relies on. Our infrastructure needs encompass not only our systems of interstates, bridges, rail, and waterways, but also utility systems that provide services that touch upon the needs of every individual in our nation.
- Some of the most heavily needed updates and repairs can be found in rural America. Many of the small towns and municipalities in rural America lack the necessary funding to maintain and upgrade important services like water and waste management.
- While there are numerous federal programs to help out with funding, such as the United States Department of Agriculture's Rural Development Program, it is imperative that we enhance competition wherever possible and insure innovation has an opportunity to succeed in such programs. I believe it is critical that if we have the opportunity to save taxpayers and ratepayers money through competition that it is our duty to maximize taxpayer dollars.

- USDA's Rural Water Development Program is a prime example of a program that promotes open competition.
- Currently some municipalities may hold bidding processes that require bidders to use so called "legacy materials" for pipeline or other infrastructure projects. It is important that while incumbent materials, like certain metals may well hold advantages in certain scenarios, we must not disregard innovation, manifested in many cases by the inclusion modern materials like plastics and hybrid composites as foundational materials for pipelines and other projects.
- To intentionally exclude new and innovated materials from federal infrastructure projects to protect entrenched interests is not right, it's not in the best interest of the citizens we've sworn to represent, and it does not reflect our Constitutionalist principles.
- Mr. Chairman as new materials enter the market place we should ensure they receive the same consideration as legacy materials for every federal infrastructure project. Science has given us access to new technologies that meet or exceed the same standards for safety, strength, temperature and performance.
- The principle of open-competiveness and free market enterprise should be staples of any plan to upgrade our current infrastructure, and while I believe this is most urgently needed in any upgrades to our system of water and waste water management, this should guide every decision to expend taxpayer dollars in the public interest.
- As I stated before, we should not lock ourselves and our communities into investments that may not yield the best long term investment. Allowing new innovators to compete with traditional or entrenched players pushes the United States forward.

- All we have to do is release the free market from the restraints of antiquated mandates that currently exist. Very quickly, costs could plummet and projects could be finished much more efficiently while maintaining the same or improved level of results as previously achieved.
- In many cases the cost savings do not stop after the project is completed, as maintenance and replacement costs could also provide savings to ratepayers.
- The President asked us to dream big, and in the era of massive deficits and strained budgets, there is no longer an excuse for avoiding innovation with resources that are not our own. We owe the American taxpayer and communities across this country the opportunity to advance and rebuild their infrastructure through competition, innovation and cost savings.
- In closing I just want to state that I am not against legacy materials, in some places they may be the optimal choice for utilization, I just want to ensure that there is a level bidding process for materials that meet the same standards for safety, strength, temperature and performance as their legacy counterparts. Excluding these materials from being included in a bidding process is bad for the economy, bad for the taxpayer, and bad for innovation.
- Thank you again to the Chairman, ranking member, and members of the committee for allowing me to speak today.