

ONE HUNDRED SEVENTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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WASHINGTON, DC 20515-6115

Majority (202) 225-2927
Minority (202) 225-3641

November 2, 2021

Mr. Scott Lincicome
Senior Fellow
The Cato Institute
1000 Massachusetts Avenue NW
Washington, DC 20001

Dear Mr. Lincicome:

Thank you for appearing before the Subcommittee on Consumer Protection and Commerce on Thursday, October 14, 2021, at the hearing entitled “Investing in American Jobs: Legislation to Strengthen Manufacturing and Competitiveness.” I appreciate the time and effort you gave as a witness before the Committee on Energy and Commerce.

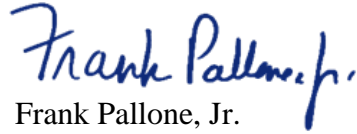
Pursuant to Rule 3 of the Committee on Energy and Commerce, members are permitted to submit additional questions to the witnesses for their responses, which will be included in the hearing record. Attached are questions directed to you from certain members of the Committee. In preparing your answer to these questions, please address your responses to the members who has submitted the question in the space provided.

To facilitate the printing of the hearing record, please submit your responses to these questions no later than the close of business on Tuesday, November 16, 2021. As previously noted, this transmittal letter and your response, as well as the responses from the other witnesses appearing at the hearing, will all be included in the hearing record. Your written responses should be transmitted by e-mail in the Word document provided to Ed Kaczmarek, Policy Analyst, at ed.kaczmarek@mail.house.gov. To help in maintaining the proper format for hearing records, please use the document provided to complete your responses.

Mr. Scott Lincicome
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Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Ed Kaczmarek with the Committee staff at (202) 225-2927.

Sincerely,

A handwritten signature in blue ink that reads "Frank Pallone, Jr." in a cursive style.

Frank Pallone, Jr.
Chairman

Attachment

cc: The Honorable Cathy McMorris Rodgers
Ranking Member
Committee on Energy and Commerce

The Honorable Jan Schakowsky
Chair
Subcommittee on Consumer Protection and Commerce

The Honorable Gus Bilirakis
Ranking Member
Subcommittee on Consumer Protection and Commerce

Attachment—Additional Questions for the Record

**Subcommittee on Consumer Protection and Commerce
Hearing on
“Investing in American Jobs: Legislation to Strengthen Manufacturing and
Competitiveness.”
October 14, 2021**

Mr. Scott Lincicome, Senior Fellow, The CATO Institute

The Honorable Cathy McMorris Rodgers (R-WA)

1. As currently drafted, H.R. 5495 authorizes \$41 billion for grants, loans, and loan guarantees to various entities, for several purposes, including supporting the creation of jobs with competitive wages in the manufacturing sector. While we all support creating good paying jobs, I am concerned this emphasis on labor benefits and their eligibility for these dollars, and the lack of strong liability protections for business to participate, will cause this to be a slush fund for those with close ties to this Administration.
 - a. Given prevailing wage requirements we have seen, the lack of robust liability protections for businesses to participate, and the very broad assortment of entities that can seek these funds - do you think many small or medium sized businesses will be able to be eligible, or even want to seek these dollars once learning more about the text before us?

RESPONSE: I cannot speculate on this aspect of the bill.

2. During the hearing, we heard Democratic members support the use of funds made available in the Building Resilient Supply Chains Act for the purposes of allowing workers to form a union and for creating union jobs.
 - a. Should the money from American taxpayers be allocated for the purpose of entities to prioritize the unionization of their workers?

RESPONSE: No.

3. During the hearing you referenced the port of LA lacking in efficiency because ports' unions are opposing innovation like the automation of U.S. ports and that unions have specifically demanded that they not be as efficient and productive as possible.
 - a. If taxpayer funds are prioritized for the creation of unions, how will the innovation of new technologies and emergence of innovative solutions to

challenges facing the U.S. manufacturing sectors be impacted? Will we see innovation continue to develop or will innovation stifle at the hands of the Teamsters?

RESPONSE: Assuming that manufacturing unions follow the International Longshore and Warehouse Union's opposition to port automation, I would expect increased unionization of these facilities to make productivity-enhancing innovations (e.g., automation) more difficult, time-consuming, and/or costly.

The Honorable John Joyce (R-PA)

1. On June 8th, 2021, I introduced the Advancing Gig Economy Act, which would require the Department of Commerce to conduct a study to better understand the impact state and federal policy have on the gig economy and how it can help this sector grow. At a time where our nation is still in the process of recovering from the global pandemic, this legislation is essential for accelerating our economy, opening up new opportunities for American workers, and building on the innovation we have seen from American entrepreneurs.

In my home state of Pennsylvania, this innovation is on full display. Shipt, a delivery service company operating in the Commonwealth, reaches 86% of households, has 8,000 shoppers, and allows for a flexible work schedule that employees create on their own. We must not hinder American's ability to work and create, and this bill will only strengthen Congress' understanding of what policies can grow the Gig economy further.

- a. In your testimony you mentioned the need for the U.S. to increase access to critical goods, services, and mitigating the impact of domestic shock. Do you think that my bill will help begin the process of removing barriers for industry to increase this access?

RESPONSE: The bill's ultimate effects on the economy would depend on the report's findings, but, to the extent the report identified current federal, state, and local impediments to independent work and recommended they be reformed. it would help.

- b. Do you see this as a first step of better understanding the negative impact some state policies have on the growth of the gig economy?

RESPONSE: Yes.

