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The Honorable Gus Bilirakis  
Chairman  
Committee on Energy and Commerce  
Subcommittee on Innovation,  
Data and Commerce  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jan Schakowsky  
Ranking Member  
Committee on Energy and Commerce  
Subcommittee on Innovation,  
Data and Commerce  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Bilirakis and Ranking Member Schakowsky:

Thank you for holding today's hearing, *Economic Danger Zone: How America Competes To Win The Future Versus China*, and for your focus on maintaining America's global leadership in innovation. The National Association of Manufacturers is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs nearly 13 million Americans, contributes \$2.81 trillion to the U.S. economy annually, pays workers over 18% more than the average for all businesses and has one of the largest sectoral multipliers in the economy. Taken alone, manufacturing in the United States would be the eighth-largest economy in the world.

Manufacturers perform more research than any other industry, accounting for 55.2% of private-sector R&D, investing \$347.4 billion in 2021. As a result of this research, manufacturers create new technologies, cutting-edge materials, life-saving treatments and vaccines and develop more sustainable processes that improve the lives of every American.

Enhancing the manufacturing industry's ability to compete – particularly against state-funded entities that are focused on displacing the United States from its position as the world's largest and most innovative economy – is vital to our national interest. The National Association of Manufacturers has produced a blueprint of the most critical actions policymakers can take to support the industry: *Competing to Win*, which is attached to this submission.<sup>1</sup>

The challenges faced by manufacturers are complex, varied and will require a concerted effort that is strategic and intentional to advance our interests. The range of actions the NAM recommends that Congress take are designed to achieve critical economic and strategic goals. The NAM respectfully encourages you to consider the following items, among others in *Competing to Win*, in order to immediately support manufacturers' competitiveness.

### **Reform the federal permitting system**

Too often, manufacturers seeking to make significant investments in the United States face years-long delays in obtaining the permits needed to break ground on a project. Speeding the permitting process and establishing permit certainty will support industrial growth. Efforts to

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<sup>1</sup> National Association of Manufacturers, *Competing to Win* (Sept. 2022) available at [https://documents.nam.org/COMM/Competing\\_to\\_Win\\_2022.pdf](https://documents.nam.org/COMM/Competing_to_Win_2022.pdf).

expand domestic energy production, upgrade our nation's infrastructure, increase critical mineral extraction and processing and expand facilities are all dependent upon the success of advancing permitting reform. To that end, ensuring the Administration is following congressional intent regarding One Federal Decision from the bipartisan Infrastructure Investment and Jobs Act is key, as that mandate establishes strict permit review timelines and eliminates duplicitous efforts across various federal agencies. Moreover, key permitting authorities are rife with ambiguity and inconsistent terminology, and need Congressional intervention in order to facilitate manufacturing expansion while achieving environmental stewardship.

### **Grow the manufacturing workforce**

Manufacturers are facing a workforce crisis. Over the next decade, 4 million manufacturing jobs will likely be needed, and 2.1 million are expected to go unfilled because there are not enough potential workers with the skills needed in today's modern manufacturing sector. The effects of this shortfall will be felt throughout the country. According to a recent report by the NAM's workforce and education partner, the Manufacturing Institute, and Deloitte the U.S. economy will be \$1 trillion smaller in 2030 if those positions are not filled.<sup>2</sup>

In order to fully address this challenge, the perception of manufacturing careers must be changed and there must be an effort to broaden recruitment pipelines to engage under-represented populations and – with only 58 people actively looking for work for every 100 job openings – the potential workforce must grow. Reforming our nation's broken immigration system is a critical step to address some workforce needs. Manufacturers support securing our borders and reforming the immigration system to reflect the needs of the modern workforce, including addressing the existing backlog of immigration cases, providing certainty for individuals who are already in this country and updating our nation's approach to asylum seekers and refugees.

### **Support investment in America**

Manufacturing is a capital-intensive industry. Facilities, equipment and machinery have long productive lives but require significant up-front capital investments. Reducing barriers to these investments will help grow the manufacturing base. In this regard, manufacturers urge lawmakers to take two actions.

First, funds that have been authorized to support the manufacturing economy should be disbursed quickly and equitably. Portions of the CHIPS and Science Act, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act authorize investments in key parts of the manufacturing economy. Congress should work with the Administration to ensure that these funds reach manufacturers expeditiously. Second, lawmakers must ensure that the tax code supports private investment in manufacturing activities. Specifically, making the 2017 Tax Cuts and Jobs Act permanent would support small businesses, and reversing harmful changes to the tax treatment of research expenses, business loans and equipment purchases would benefit all manufacturers in America.

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<sup>2</sup> The Manufacturing Institute and Deloitte, *Creating Pathways for Tomorrow's Workforce Today: Beyond Reskilling in Manufacturing* (2022) available at [https://www.themanufacturinginstitute.org/wp-content/uploads/2021/05/DI\\_ER-I-Beyond-reskilling-in-manufacturing-1.pdf](https://www.themanufacturinginstitute.org/wp-content/uploads/2021/05/DI_ER-I-Beyond-reskilling-in-manufacturing-1.pdf).

**Protect Manufacturers' IP and Combat Counterfeits**

It is vital that the United States advance policies that defend American innovation and technology leadership in the U.S. and abroad, including through efforts to advance strong rules and robust protection of IP and innovation. Notably, manufacturers appreciate the work of members of this subcommittee on policies that will work towards stopping the flow of counterfeit goods into the United States. Counterfeit goods, particularly those sold online, remain a top concern and competitive advantage for manufacturers of all sizes. The enactment of the INFORM Consumers Act in December 2022 was a significant step in combatting the scourge of counterfeit goods. The NAM respectfully urges the subcommittee to monitor and ensure the full implementation of this act by all parties and continue its focus on the issue in this Congress through both legislative and oversight activities.

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Thank you again for your focus on enhancing manufacturers' ability to compete. The NAM looks forward to working with members of the subcommittee on this important issue.

Respectfully,

A handwritten signature in black ink that reads "Aric Newhouse". The signature is fluid and cursive, with a long horizontal stroke at the end.

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Policy and Government Relations  
National Association of Manufacturers