ALLIANCE FOR AMERICAN manufacturing

Summary of Major Points in Written Testimony:

Scott N. Paul – President, Alliance for American Manufacturing "Mapping America's Supply Chains: Solutions to Unleash Innovation, Boost Economic Resilience, and Beat China" September 20, 2023

- The federal government does not currently have the complete set of tools and authorities to identify, prevent, and mitigate supply chain vulnerabilities before they spiral out-of-control.
- The United States' reliance on China, in particular, for critical supply chains is a significant danger for our economic and national security. We should no longer question whether China will weaponize its supply chains and our reliance upon them to its advantage.
- Our vulnerabilities reflect an outdated notion of the benefits of hyper-globalization, where our consumers, workers, domestic businesses, and our national security suffer. We must break the vicious cycle of implementing policies that reward imports over domestic production.
- Holding this hearing and advancing this legislation is, by itself, an acknowledgement that supply chain resiliency is not a challenge that the private sector alone can fix. There is an appropriate role for government to provide leadership, coordination, a supportive policy framework, and, if necessary, grants, loans, and other forms of federal assistance directed to domestic production expansion where the vulnerabilities are most critical.
- The bill before us today is an important starting point for supply chains legislation that can be made more effective by adding commonsense improvements to fully address the challenges facing our nation.
- We wish to direct your attention to several important policy provisions found in <u>H.R. 763 The</u> <u>Supply CHAINS Act (Rep. Blunt Rochester, D-DE)</u> which deserve the attention of this subcommittee.
 - The federal government needs a dedicated Office with the necessary clout to direct supply chain efforts and to implement a comprehensive and coordinated supply chains strategy.
 - The federal government should provide coordination for the private sector by creating voluntary standards and best practices that can be used to address supply chain vulnerabilities.
 - Capitalizing a robust supply chain resiliency fund can provide a mix of financial assistance where there is a demonstrated need. At a minimum, Congress should commission an independent study to determine whether grant and loan making authority is warranted.
- We are deeply concerned that the pending legislation eliminates government consultation activities with America's workers. The Alliance for American Manufacturing is a labor-management partnership, and I can speak with firsthand knowledge that giving both companies and workers a voice greatly enhances the work of building a policy framework to revitalize American manufacturing.