

**Committee on Energy and Commerce**  
**Opening Statement as Prepared for Delivery**  
**of**  
**Chairman Frank Pallone, Jr.**

***Hearing on “The Fiscal Year 2022 Department of Commerce Budget”***

**June 8, 2021**

Thank you, Secretary Raimondo, for testifying today.

The Department of Commerce has one overarching goal: help the American economy grow. In order to meet that goal, we must ensure that the United States has a vibrant and thriving industrial base. A base capable of developing the technologies and manufacturing the products essential for economic development and prosperity in the 21st century. Advanced technologies and products like next-generation artificial intelligence, cutting-edge telecommunications, and advanced manufacturing equipment.

But America’s manufacturing base faces steady headwinds. Over the past few decades, multinational corporations favoring their short-term financial interests have adopted the business strategy of offshoring, sending operations and jobs overseas. These actions have severely eroded America’s capacity to produce, with more than five million manufacturing jobs lost since 2000.

As a result, the United States now relies on production in other countries for many of our necessities: consumer electronics, telecommunications equipment, pharmaceuticals, computer chips, and strategic minerals and materials.

This steady erosion of America’s productive capacity threatens our nation’s economic vitality, international competitiveness, and resilience to economic shocks and national emergencies. The lack of domestic equipment manufacturers resulted in telecommunication providers buying suspect equipment from companies like Huawei, thereby undermining communications network security. A major global shortage of semiconductors has forced some manufacturers of automobiles and consumer electronics to idle or delay production, harming our economic recovery. The Department of Defense has warned that the decline in domestic manufacturing capacity and capability could result in a growing and permanent national security deficit.

And while the U.S. manufacturing capacity has waned, our economic competitors’ capacity is on the rise. In 2010, China surpassed the United States as the world’s largest manufacturing country. And U.S. manufacturing output is growing slower than the output of South Korea, Germany, and Mexico.

The United States must restore its capacity to produce critical products essential to our economic welfare and national security.

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We need a bold, transformative vision for revitalizing American manufacturing and shoring up our supply chains.

That's why I am so pleased that the Biden Administration has released the American Jobs Plan and its Fiscal Year 2022 budget, which include a comprehensive set of policies to restore America's industrial power. The Biden Administration is proposing \$300 billion for investments to retool and revitalize American manufacturing, \$50 billion to improve the resilience of capacity of critical supply chains, and \$50 billion to support research, development, and production of semiconductors. And I'm also happy to see the Administration announce actions today that it plans to take to address vulnerabilities in critical product supply chains.

With the American Jobs Plan, the United States will harness innovation, strengthen the industrial base, and invest in the American worker. It will help ensure our economic success, strengthen our national security, and improve our preparedness for the next national emergency.

It's time to reinvest and refocus on U.S. manufacturing and that's a critical component of the American Jobs Plan. Manufacturing is the piece of the puzzle that transforms research and development into growth of jobs and wages across the entire U.S. economy.

Finally, the Commerce Department is key to advancing good telecommunication policy. At the end of last year, I worked on a bipartisan basis to pass critical broadband provisions as part of the final omnibus appropriations package. The final legislation established a \$1 billion grant program at the National Telecommunications and Information Administration (NTIA) to support broadband connectivity on tribal lands. It also included a \$300 million rural broadband grant program and a \$285 million grant program for broadband access at minority-serving institutions. And it established an office in NTIA to coordinate and ensure the efficiency of broadband support programs across the Federal government. I am pleased to see the Department's recent announcement regarding the tribal grant program and believe implementation of these programs will have a meaningful impact on the lives of all Americans.

I look forward to working with you, Secretary Raimondo, on enacting these policies and look forward to your testimony today.