

Committee on Energy and Commerce
Opening Statement as Prepared for Delivery
of
Full Committee Ranking Member Frank Pallone, Jr.

***Innovation, Data, and Commerce Subcommittee Hearing on “Mapping America’s Supply Chains:
Solutions to Unleash Innovation, Boost Economic Resilience, and Beat China”***

September 20, 2023

The COVID-19 public health crisis exposed serious vulnerabilities in our critical manufacturing supply chains – vulnerabilities that harmed our efforts to combat COVID-19 and its economic fallout.

Ask any doctor, nurse, or essential worker who needed personal protective equipment during the height of the COVID-19 pandemic. Ask any assembly line worker, manufacturer, or startup who did not have enough semiconductors essential to produce critical products and consumer electronics. Ask any everyday consumer who could not find basic household essentials, like toilet paper and cleaning supplies, as demand surged and supply chains just ground to a halt.

Last Congress, Congressional Democrats took bold action to strengthen our manufacturing base, bolster supply chains, create good-paying jobs for American workers, unleash innovation, and lower costs for consumers.

The CHIPS and Science Act makes transformative, historic investments to strengthen supply chains and American manufacturing. It included \$52.7 billion to spur American semiconductor production in order to end our dangerous dependence on foreign manufacturers of this critical good. This new law will ensure that more semiconductors are produced here in the United States and not in China. If “beating China” was not just a slogan for House Republicans, they would have joined us in taking action and voting for this bill.

Then there's the Bipartisan Infrastructure Law, which is modernizing our nation’s infrastructure by investing hundreds of billions of dollars for roads, bridges, railways, high-speed broadband, clean drinking water infrastructure, and electric vehicle chargers.

And the Inflation Reduction Act, which is lowering costs for American families, including health care, prescription drugs, and energy costs, while also combating the worsening climate crisis so we can lead the world in the clean energy transition.

Now these laws are strengthening the economy from the bottom up and middle out. The United States has added nearly 800,000 manufacturing jobs during President Biden’s

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administration. Total construction spending on manufacturing in the United States has skyrocketed, providing good construction jobs today and manufacturing jobs into the future.

But we have more work to do. The supply chain crisis may no longer be front page news, but serious supply chain vulnerabilities persist. The Biden Administration's 100-day supply chain review found that manufacturing supply chains instrumental to our national security and economic welfare remain vulnerable to disruption, strain, compromise, and elimination. These vulnerabilities are industry wide and affect every American. The Department of Defense (DOD) warns that the decline in domestic manufacturing capability could result in a growing and permanent national security deficit that presents challenges to our military and technological supremacy.

Fortunately, Representatives Blunt Rochester, Dingell, Kelly, and Wild have introduced the Supply CHAINS Act, legislation that builds on their bipartisan supply chain work from last Congress. As Representative Lisa Blunt Rochester has already explained, this vital legislation improves supply chain resilience and strengthens our nation's economic vitality and national security.

Over 160 stakeholders – manufacturers, innovators, workers, consumer groups, local governments – endorsed their supply chain legislation. That's broad support – and that's why I'm disappointed that our Republican colleagues refused to include the Supply CHAINS Act on this legislative hearing. Again, if "beating China" was not just a slogan for House Republicans, they would have included this important supply chain legislation on today's hearing.

It's important that we have this discussion, but unfortunately Representative Bucshon's discussion draft is not nearly as comprehensive as the Supply CHAINS Act and would therefore leave our nation vulnerable to further supply chain disruptions by our adversaries, like China.

We must heed the lessons learned from the supply chain crisis and ensure that the federal government is equipped with the tools and authorities needed to address supply chain vulnerabilities before they become full-blown crises. And that's what the Supply CHAINS Act does.

I'm hopeful that this hearing will renew productive, bipartisan negotiations.