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Vice President
International Economic Affairs Policy

March 10, 2023

The Honorable Darrell Issa
Chair
Subcommittee on Courts, Intellectual
Property and the Internet
Committee on the Judiciary
U.S House of Representatives
Washington, DC 20515

The Honorable Henry Johnson
Ranking Member
Subcommittee on Courts, Intellectual
Property and the Internet
Committee on the Judiciary
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Issa and Ranking Member Johnson:

The National Association of Manufacturers welcomes the subcommittee's hearing on Intellectual Property and Strategic Competition with China: Part 1. The NAM is the largest manufacturing association in the United States, representing businesses in every industrial sector and in all 50 states. Manufacturing employs 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 applaud the subcommittee's focus on innovation and intellectual property in the United States as a core driver for competitiveness. The NAM shares your view that these issues are critical to ensuring that America can compete with an increasingly ambitious China. The NAM laid out core components of a broad competitiveness agenda, including recommendations for policymakers with respect to innovation and intellectual property, in its recent letter to the Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party, which I am pleased to attach here.

Innovation is the lifeblood of our economy and the foundation of a globally competitive manufacturing base here at home and the driver for U.S. global leadership in manufacturing. Innovations such as machine learning and artificial intelligence, additive manufacturing, the Internet of Things, robotics, 5G, cloud computing, augmented reality, advanced materials and others are attracting significant attention and investment that will propel manufacturing into the future. Robust IP laws as well as strong IP enforcement are important tools to protect U.S. innovation and industry against rampant counterfeiting, IP theft and ambitious industrial policies from China aimed at weakening our global technology leadership.

Tackling Chinese IP theft must be a priority to ensure we can compete with a fierce economic challenger that frequently fails to play by the rules. We must engage directly with Chinese government counterparts, and work closely with allies, to hold China accountable for its commitments on IP, including those under the "Phase One" U.S.-China trade deal, and to press China take further actions to address a host of intellectual property concerns laid out by the NAM in its January 2023 submission to the Office of the U.S. Trade Representative on global

intellectual property challenges, including rampant counterfeiting.¹ Congress should take steps to ensure the full implementation of existing laws designed to strengthen enforcement against counterfeit goods (such as the Trade Facilitation and Trade Enforcement Act of 2015, the Synthetics Trafficking and Overdose Prevention Act of 2018 and the INFORM Consumers Act of 2022) and advance additional legislation to reduce the availability of counterfeit goods on e-commerce platforms.

In addition, policymakers must also take steps to strengthen and support robust global IP rules that set high standards for China and other trading partners and not allow China to seize that innovation for their own benefit. As an example, the U.S. and other countries are negotiating a waiver of intellectual property at the World Trade Organization to include broad categories of COVID-19 products and inputs. This would undermine American innovation, competitiveness and jobs while ignoring—or worsening—supply chain, distribution and demand issues that are the biggest current challenges to the global COVID-19 fight. Importantly, in the context of our strategic competition with China, an expanded waiver would provide a vehicle for China to unfairly seize American innovation, at a time when China has shown [clear ambition](#) to be a global leader in key health industries and supply chains. Manufacturers urge Congress to oppose an expanded waiver.

The NAM strongly supports strengthening IP protections to ensure that the U.S. continues to outcompete China. The NAM appreciates the work of the subcommittee and looks forward to engaging with you on this issue.

Sincerely,

A handwritten signature in blue ink, consisting of stylized, overlapping letters that appear to be 'NAM'.

Enclosure

¹ Letter from the National Association of Manufacturers (Jan. 30, 2023)
https://documents.nam.org/IEA/NAM_2023_Special_301_Comments.pdf.

Aric Newhouse

Senior Vice President,
Policy and Government Relations

Feb. 27, 2023

The Honorable Michael Gallagher
Chair
Select Committee on the Strategic
Competition Between the U.S. and the
Chinese Communist Party
U.S. House of Representatives
1211 Longworth House Office Building
Washington, DC 20515

The Honorable Raja Krishnamoorthi
Ranking Member
Select Committee on the Strategic
Competition Between the U.S. and the
Chinese Communist Party
U.S. House of Representatives
2367 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Gallagher and Ranking Member Krishnamoorthi:

The National Association of Manufacturers looks forward to working with members of the bipartisan Select Committee on the Strategic Competition Between the U.S. and the Chinese Communist Party to develop concrete policy solutions for the U.S. to strengthen our national security, bolster our economy and protect American innovation.

The NAM and the nearly 14,000 manufacturers large and small across the country that we represent have long urged a new approach to the U.S.–China relationship—one that is coordinated with allies, aimed at boosting our national security and economic competitiveness around the world and one rooted in American strengths and values. Those values include the ones that keep our industry strong and have made America exceptional: free enterprise, competitiveness, individual liberty and equal opportunity.

Our nation can tackle the challenges in our country's relationship with China by unleashing the power of manufacturing in America. In September 2022, the NAM published the latest version of "Competing to Win," a blueprint of the most critical actions Congress and the administration can take to support the industry.¹ This comprehensive plan includes a wide array of policy options that would help manufacturers in America grow, invest and hire, and therefore make our country more competitive. The actions discussed below include recommendations on trade, tax, workforce, immigration, energy security, intellectual property protections, infrastructure and more. The NAM urges members of this committee to consider policies outlined in "Competing to Win" and detailed in this letter as they seek to enhance American competitiveness with China.

Our approach to China must navigate a complicated set of U.S.–China ties: China is a fierce economic competitor that frequently fails to play by the rules and a major challenger to American global influence. Simultaneously, China is a necessary partner on global issues such as climate change and a critical market for manufactured goods. We must ensure that manufacturers in the U.S. can compete with China around the world, including in China itself. With the world's largest population, the world's second-largest economy and a rapidly expanding middle class, China has become one of the world's leading markets for manufactured goods, including but not limited to automobiles, information technology and food

¹ National Association of Manufacturers, [Competing to Win](#), September 2022.

products. Our exports and local sales in China directly contribute to the ability of manufacturers to compete, to invest and to hire here at home. Notably, more than half of American manufacturing workers depend on exports for their paychecks, and China is the fourth-largest market for U.S. manufactured goods exports (\$103.8 billion in 2022), behind only Canada, Mexico and the European Union. Moreover, U.S. companies have lost ground to other trading partners in China in recent years. In 2016, 8.9% of the goods China imports from the world came from U.S. companies; by 2020, that fell to 6.6%.

Manufacturers respectfully encourage your committee and other committees of jurisdiction to support action in areas critical to manufacturing leadership and competitiveness in the U.S.:

- **Support our manufacturing workforce.** Manufacturers are facing a workforce crisis that must be addressed for the U.S. to compete with China. The number of open jobs in the manufacturing sector has roughly doubled since before the pandemic, and companies are struggling to find qualified candidates. By 2030, 4 million manufacturing jobs will likely need to be filled, and 2.1 million are expected to go unfilled due to a lack of 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 Deloitte and the NAM's workforce and education partner, the Manufacturing Institute, the U.S. economy will be \$1 trillion smaller in 2030 if those positions are not filled.² Without a skilled workforce, manufacturers will not have the people or talent required to compete in today's economy. Manufacturers urge Congress to fund and set guidelines for postsecondary education and training programs that allow employer participation and leadership in determining skills needed by students. Such industry leadership will be critical in shaping well-paying jobs in competitive industries needed to outflank China.

Reforming our nation's broken immigration system is a critical step to addressing workforce needs. National security, compassion and addressing workforce realities are not mutually exclusive objectives when it comes to immigration. 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.

Moreover, a strong, healthy and productive domestic workforce is critical to unleash American innovation and successfully compete with China. Manufacturers are leaders in employer-sponsored health care, with approximately 99% of NAM member companies offering health benefits. NAM member companies provide health benefits to maintain a healthy workforce, attract and retain talent and fundamentally because they believe it is the right thing to do. Manufacturers go to great lengths to provide health benefits to their employees despite both large and small manufacturers citing rising health care expenses as one of their top business concerns. Congress should adopt health care reforms that promote both innovation and value in ways that are in step with the next generation of health care delivery. The U.S. should apply free enterprise principles to all aspects of health care policy reform. Such principles include, but are not limited to, protecting intellectual property, encouraging transparency, opposing price control-oriented solutions and avoiding costly Medicare for All.

² The Manufacturing Institute and Deloitte, [Creating Pathways for Tomorrow's Workforce Today: Beyond Reskilling in Manufacturing](#), 2022.

- **Improve federal permitting to strengthen energy and manufacturing investment here at home.** Too often, manufacturers seeking to make significant investments in the U.S. face years-long delays in obtaining the permits needed to break ground on a project. Speeding up the permitting process and establishing permit certainty will support industrial growth. Efforts to 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, the administration should closely follow congressional intent regarding One Federal Decision from the bipartisan Infrastructure Investment and Jobs Act, as that mandate establishes strict permit review timelines and eliminates duplicative efforts across various federal agencies. Moreover, Congress should intervene to address ambiguity and inconsistent terminology in key permitting authorities in order to facilitate manufacturing expansion while achieving environmental stewardship.
- **Utilize government funding programs and tax policies to incentivize domestic manufacturing investment.** 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. Manufacturers urge lawmakers to ensure that funds that have been authorized to support the manufacturing economy are 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. The administration and Congress should work together to ensure that these funds reach manufacturers expeditiously.

Additionally, a 2020 study analyzing the primary costs (compensation, property, utilities, taxes and interest rates) associated with manufacturing found that these amounts are on average 16% higher in the U.S. than in a peer group of countries.³ The NAM also encourages Congress to implement a new tax credit that encourages companies to make domestic investments in workforce, machinery, equipment and innovation to help ensure that the U.S. is the destination of choice for new industrial investment. To be effective, the credit must be as simple as possible to calculate, easy to claim and complement existing tax incentives that are available to all manufacturers, irrespective of size or form.

Congress must also ensure that the tax code supports private sector investment in manufacturing activities by taking the following steps:

- *Reverse tax provisions that discourage investments in innovation.* Manufacturers in the U.S. drive more innovation than any other sector, performing 55% of private-sector research and development in the U.S. In 2021 alone, manufacturers spent nearly \$350 billion on R&D. The result of this investment is new products, new materials and new processes that help propel America forward. However, as of Jan. 1, 2022, businesses can no longer immediately deduct their research expenses. Instead, manufacturers are now required to amortize, or recover over a period of years, these expenses, making R&D more costly to conduct in the U.S. Unless Congress acts, manufacturers' ability to innovate and create new products, technologies and lifesaving medicines will be

³ KPMG and National Association of Manufacturers, [Cost of Manufacturing Operations Around the Globe](#), October 2020.

harmed. Importantly, the NAM notes that China recently adopted a 200% “super deduction” for manufacturing research expenses; in short, China is using tax policy to encourage innovation while the U.S. tax code has made R&D more expensive. Finally, the amortization requirement poses a threat to our national security, with the National Science and Technology Council noting that R&D investments “are essential to ensure that the U.S. remains able to secure and protect the American people in the face” of other countries’ increasing support for R&D.⁴

- *Enable manufacturers to continue to finance growth.* Small and medium-sized manufacturers often borrow funds to afford investments in new equipment and machinery that are necessary for growth. However, a recent change to Section 163(j) of the tax code has made business loans for these firms more expensive. The maximum interest deduction under section 163(j) is now limited to 30% of a company’s earnings before interest and tax (“EBIT”), a substantial change from the standard in place prior to 2022 that was based on earnings before interest, tax, depreciation and amortization. (“EBITDA”). By excluding depreciation and amortization, the EBIT-based limitation makes it more expensive for capital-intensive companies to finance critical purchases, grow their businesses and hire new workers. This stricter limitation effectively acts as a tax on investment, and it makes the U.S. a global outlier. Of the more than 30 OECD countries with an earnings-based interest limitation, the U.S. is the only one that employs an EBIT standard. According to a recent study, failing to reverse this harmful change could cost the U.S. economy 467,000 jobs and reduce U.S. GDP by \$43.8 billion.⁵
- *Make permanent a key incentive for capital equipment purchases.* A 100% deduction for the purchase of equipment and machinery in the tax year purchased has been in place since 2017. This critical incentive for capital-intensive industries like manufacturing reduces the after-tax cost of capital equipment purchases and increases the return on investments. According to recent analysis by the nonpartisan Joint Committee on Taxation, manufacturers led all sectors in the use of expensing by a wide margin. Unfortunately, the 100% level of full expensing began to phase out this year and will be eliminated completely by 2027. If this occurs, it will be much more expensive for manufacturers to undertake job-creating investments and effectively compete on a global scale.
- **Elevate U.S. energy innovation and leadership.** The U.S. is the world’s leading energy producer, creating an advantage for manufacturers in the race to compete against China in the global marketplace. Today, manufacturers benefit from all forms of energy and natural resources while making smart investments to become more energy efficient and keep protecting the environment. Meanwhile, manufacturers are developing new technologies that make energy cleaner, more affordable and reliable with each

⁴ See p. 23 of Subcommittee on Research and Development Infrastructure, Committee on Science and Technology Enterprise of the National Science and Technology Council, [National Strategic Overview for Research and Development Infrastructure](#) (October 2021).

⁵ Ernst & Young, [“Economic impact of a stricter 163\(j\) interest expense limitation,”](#) Prepared on behalf of the NAM, September 2022.

passing year. When we fail to produce energy here, it is produced elsewhere with a much greater negative impact on the environment.

Manufacturers need the right types of federal policies to support their efforts to find innovative ways to harness U.S. energy. Historically, the federal government has been inconsistent in its support for domestic energy production and delivery infrastructure. Policymakers have not advanced a comprehensive plan that ensures an energy future with continued certainty for manufacturers. In recent years, the federal government has also used regulations to favor or disfavor certain energy options, creating a level of year-by-year instability that makes it difficult for manufacturers to make long-term investments and capitalize on the nation's energy advantage. Manufacturers urge the administration and Congress to remove regulatory barriers that reduce access to the rich diversity of domestic energy, minerals and other natural resources and to expedite the legal and regulatory processes for exporting energy technologies that can help promote trade in energy and environmental goods and aid manufacturers in outcompeting China in global markets.

- **Protect manufacturers' intellectual property abroad.** It is vital that the U.S. 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 intellectual property and innovation. The U.S. government must push China to take further action beyond the "Phase One" deal to address intellectual property theft, structural concerns with China's patent and trademark systems and rampant counterfeiting. Counterfeit goods, particularly those sold online and largely coming from China, remain a top concern and competitive challenge for manufacturers of all sizes. Congress should take steps to ensure the full implementation of existing laws designed to strengthen enforcement against counterfeit goods, including the Trade Facilitation and Trade Enforcement Act of 2015, the Synthetics Trafficking and Overdose Prevention Act of 2018 and the INFORM Consumers Act of 2022. Moreover, Congress should advance additional legislation to reduce the availability of counterfeit goods on e-commerce platforms, act against intellectual property infringement, provide up-to-date enforcement capability and improve interagency collaboration to fight fake goods.
- **Ensure targeted and effective deployment of national security regulatory frameworks, such as investment security reviews and export controls.** Given the increasing practice of civil-military fusion in China, manufacturers are committed to ensuring that U.S. capital and critical technologies do not undermine the security interests of the U.S. In crafting regulatory frameworks to screen or restrict outbound investment or to increase export controls, manufacturers encourage an approach that protects U.S. national security and upholds the strength, leadership and competitiveness of the U.S. manufacturing and defense industrial base. Policies must be carefully crafted and targeted, and where possible, coordinated with our allies and partners to ensure their effectiveness.
- **Implement a clear China trade strategy to support manufacturing competitiveness in the U.S., China and around the world.** NAM President and CEO Jay Timmons has called on President Joe Biden and other senior government officials to implement a clear China trade and economic strategy to provide badly needed clarity to manufacturers seeking to plan their global operations, increase manufacturing investment in the U.S.

and support industry efforts to diversify supply chains.⁶ That strategy must include U.S.–China bilateral engagement at senior levels to press on key economic priorities, close engagement with allies and partners and assertive U.S. leadership in global institutions like the World Trade Organization. The U.S. must develop, and strategically use, a full playbook of legislative and enforcement tools to pressure China to stop its discriminatory economic policies and level the playing field for manufacturers and workers in the U.S. Moreover, the U.S. must also work with allies to shape China’s external environment, adopting common approaches that incentivize China to change its behavior. In addition, the U.S. must push for proactive, market-opening policies that strengthen our trading relationships, not just policies that disincentivize U.S. manufacturers from operating in China or impose collateral damage on the U.S. economy.

Manufacturers urge the administration and Congress specifically to take the following steps:

- *Partner with allies, particularly in the Indo-Pacific region, to secure opportunities for manufacturers in the U.S. and ensure that the U.S., not China, writes the rules for the international system.* Manufacturers urge the U.S. to deepen its engagement with allies to open markets, protect U.S. innovation and technology leadership, institute best-in-class trade rules and strengthen U.S. supply chain resiliency in ways that deliver for manufacturers. That strategy must include the negotiation of trade agreements with friends and allies to strengthen manufacturing in the U.S., as well as the deepening of partnerships with trusted trading partners through economic framework agreements such as the Indo-Pacific Economic Framework on supply chains, digital trade and other areas in ways that provide market access and include binding commitments.

The U.S. must also lead efforts to modernize and reform the World Trade Organization. Manufacturers believe that a strong, functioning WTO provides critical backstops for the U.S. to address areas where China is violating key trade disciplines, but the WTO has not kept pace with industry and technological developments or with Chinese trade-distorting practices. To ensure fair trade for manufacturers in the U.S., the WTO must deliver on trade liberalization, modernize the rules for international trade and strengthen enforcement tools to fully address problematic Chinese behaviors.

- *Exert consistent pressure on China to fully meet its trade and economic commitments through strategic use of both domestic and multilateral trade tools, direct engagement with China and in concert with allies.* The U.S. needs to take clear, strategic steps to pressure, and respond, to problematic Chinese trade and economic behavior. Engagement will require a full toolkit that includes direct negotiation, close work with allies and strategic use of domestic enforcement tools. The U.S. must be direct and steadfast to hold China fully accountable to its trade commitments, including those made in the interim “Phase One” U.S.-China deal in areas such as intellectual property theft and market access as well as its WTO commitments in areas such as intellectual property, industrial subsidies and government procurement. The U.S. and allies must also press China directly

⁶ Jay Timmons, [Letter to President Joe Biden on China](#), Mar. 17, 2021; Timmons, [Letter to Senior Biden Administration Officials on China](#), Aug. 31, 2021; Timmons, [Letter to House China Accountability Task Force](#), May 23, 2022.

on a wider variety of market-distorting actions such as industrial overcapacity and forced technology transfer that go beyond these commitments.

Additionally, manufacturers urge the U.S. to make strategic use of enforcement tools. That includes targeted use of investigations under U.S. trade law to assess and counter specific Chinese trade barriers through specific remedies. Remedies should be based on transparent, evidence-based investigations that reflect views from Congress, industry and other relevant stakeholders. They should reflect a full analysis of their impact and implications for Chinese policymakers and economic actors, as well as the impact on the domestic economy, jobs and manufacturers. Such remedies, including existing Section 301 tariffs, should be accompanied by comprehensive, robust processes to allow manufacturers opportunities to seek, and offer evidence, on decisions to fine-tune their implementation to ensure that they do not impose broad harm on the U.S. economy. Moreover, they should be developed and used alongside bilateral, regional and multilateral strategies to address these trade practices, and done so in consultation with allies.

- *Boost initiatives and programs to promote U.S. export competitiveness in China and around the world.* The NAM supports strong U.S. government export promotion programs aimed at helping manufacturers in the U.S. (particularly SMMs) expand and create jobs through finding new customers and markets for their exports. Such programs should include advocacy by relevant agencies across the U.S. government, including the Small Business Administration and U.S. Commercial Service within the U.S. Department of Commerce. The U.S. should also strengthen programs designed to promote U.S. export competitiveness and the ability to compete with Chinese enterprises in global markets. This includes a commitment to a strong and competitive Export-Import Bank and development finance organizations.
- **Increase collaboration between manufacturers, Congress and the executive branch to advance American values abroad.** Manufacturers are the backbone of a strong American economy and strive to uphold the values that have made America exceptional and kept our industry strong: free enterprise, competitiveness, individual liberty and equal opportunity. Our sector has a proud history of standing firm in support of democracy and in solidarity with those suffering from persecution and aggression around the world.

Manufacturers strongly condemn and oppose all forms of human rights abuses, including the use of forced labor around the world, and supported the passage of the Uyghur Forced Labor Prevention Act. The NAM and its members are committed to working in partnership with Congress and the executive branch to ensure that goods produced with forced labor do not enter the U.S. Manufacturers believe that a robust partnership that includes new tools and technology, due diligence guidance, clear requirements and increased collaboration can effectively target and prevent forced labor violations. Manufacturers also support efforts by the U.S. government to work with our allies and partners to streamline and coordinate laws and regulations that aim to combat and eliminate the use of forced labor in China and globally.

- Advance domestic pro-innovation policies to successfully compete with China around the world.** Innovation is the lifeblood of our economy, the foundation of a globally competitive manufacturing base here at home and the driver for U.S. manufacturing leadership abroad. Manufacturers in the U.S. have created an innovation engine that has reshaped the world around us. New technologies and processes have brought us energy independence, new lifesaving medicines and medical devices and more efficient automobiles, to name a few. As modern manufacturing in the U.S. races toward the new economic era and pursues future technologies to lead new operational advances, federal policies must keep up with the industry's needs, prioritizing both investment and innovation. The U.S. should adopt policies that will drive innovation as well as foster the growth of connected technologies, digital infrastructure and data-driven innovation across all manufacturing industry segments. These actions include pursuing a federal approach to data privacy that provides flexibility for innovation, addresses domestic and global inconsistencies and maintains U.S. economic growth and technological leadership as well as maintaining a strong mechanism for the public and private sectors to share real time cyberthreat information and support reasonable reporting requirements for those under attack.
- Support innovation and smart regulation to create a cleaner, safer and more competitive economy that can compete with China.** Manufacturers are innovating to create new solutions to address climate change, protect biodiversity and advance environmental justice, solutions that also allow U.S. companies and technologies to be more competitive against China in the global marketplace. Manufacturers have sharply reduced the industry's impact on the environment through a wide range of innovations, such as saving and recycling water, increasing energy efficiency, implementing successful initiatives to reduce pollution and waste and taking action to protect vulnerable communities here in the U.S. The industry's momentum is strong, and with new technologies being implemented every day, the future is unquestionably bright. With balance between environmental ambition and commercial feasibility, manufacturers are proving we can have both a healthy, clean environment and a prosperous economy. However, when policymakers adopt poorly tailored laws and regulations that put manufacturers in America at a global disadvantage, the critical balance between environmental improvement and economic growth is lost, hurting our workers, businesses and communities and harming our ability to compete against China in the global marketplace.

While smart regulation is critical to protecting worker safety, public health and our environment, overregulation will hold back our country's economic potential and ability to compete with China. Similarly, speculative litigation continues to cause backlogs in the courts and cost manufacturers millions, even when the claims are baseless. The annual regulatory cost burden for an average U.S. firm represents 21% of its payroll, and manufacturers, particularly small entities, bear a disproportionate share of the regulatory burden.⁷ Meanwhile, our legal system is more than twice as expensive as the systems of our major competitors, not only China, but also Japan, France, Canada and the United Kingdom. A more competitive economy demands reforming the nation's broken legal and regulatory systems to ensure that resources are focused on investments in the workforce, new equipment and other opportunities for manufacturers to grow and compete, while protecting consumer health and safety.

⁷ Crain, W. Mark and Nicole V. Crain, "[The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business.](#)" prepared on behalf of the NAM, Sept. 10, 2014.

- **Improve American infrastructure to enhance domestic competitiveness in a global marketplace.** For decades, investment in U.S. infrastructure systems lagged behind global standards, creating an intermodal, interdependent system lacking resources and upgrades to ensure safe and efficient transport of people and commercial operations. The IIJA's 2021 passage heralded a new era of federal investment in critical systems necessary to keep the American economy competitive and authorized programs affecting every facet of U.S. commercial enterprise. Manufacturers played an integral role in advocating and securing this \$1.2 trillion investment in modernized infrastructure networks. From roads and bridges to airports, ports, water systems, broadband, national electric vehicle charging systems and more, this law has laid the foundation for a competitive U.S. manufacturing future, and manufacturers are committed to the swift and successful implementation of new and expanded federal investments.

As national and international supply chain disruptions have made painfully clear, maintaining and modernizing our infrastructure is essential to keeping products moving and manufacturers operating. Manufacturers urge the U.S. government to ensure the successful implementation of IIJA programs, with appropriate Congressional direction, timely federal agency execution and continued industry input to address implementation issues and pave the way for the future of domestic manufacturing prosperity. Further, review and streamlining of federal permitting processes for which manufacturers and industrial partners have advocated will ensure the promise of historic and generational investment is fully realized for U.S. economic interests.

We strongly support strategic action in each of these areas to reset our bilateral relationship with China and to grow domestic manufacturing in ways that position the U.S. to strengthen national security and outcompete China. Manufacturers stand ready to work with the Select Committee to advance strategic approaches and tactics to achieve those critical goals.

Sincerely,



Aric Newhouse
Senior Vice President, Policy and Government Relations
National Association of Manufacturers

CC:

- The Honorable Rob Wittman
- The Honorable Blaine Luetkemeyer
- The Honorable Andy Barr
- The Honorable Dan Newhouse
- The Honorable John Moolenaar
- The Honorable Darin LaHood
- The Honorable Neal Dunn
- The Honorable Jim Banks
- The Honorable Dusty Johnson
- The Honorable Michelle Steel
- The Honorable Ashley Hinson
- The Honorable Carlos Gimenez
- The Honorable Kathy Castor
- The Honorable André Carson
- The Honorable Seth Moulton
- The Honorable Ro Khanna
- The Honorable Andy Kim
- The Honorable Mikie Sherrill
- The Honorable Haley Stevens
- The Honorable Jake Auchincloss
- The Honorable Ritchie Torres
- The Honorable Shontel Brown