

*Congressman Joe Kennedy III Prepared Remarks*  
***New England Council Congressional Roundtable Breakfast***  
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Thank you so much, Jim, for that kind introduction.

For those of you that don't know, Jim goes back with me and my family for – sorry, Jim – generations, and it is such a privilege for me to be able to work with you in this new role.

Your leadership of the New England Council, your dedication to the Commonwealth and especially to her most vulnerable will always serve as a model of public service for me.

So thank you, for your wisdom and your friendship.

I'd also like to thank Harvard Pilgrim and CEO Eric Schultz, for hosting this event and for everything you've done to help make our state a world leader when it comes to health care.

To everyone in this room, thank you for inviting me to speak with you and for taking the time to be here.

It is truly an honor. I look forward to sharing with you this morning the vast knowledge I have acquired in my...three weeks as a Congressman.

It's not every day you get to join a group that, according to a poll my friend happily forwarded to me recently, is less popular than root canals, lice, colonoscopies, traffic jams, and brussel sprouts.

As you might be able to imagine, it's been a whirlwind few weeks. A combination of figuring out where the bathroom is and what you should ask the Secretary of State after she's already answered 60 questions on Benghazi.

So far I have to say that I have been nothing but impressed with my colleagues—Democrats and Republican alike.

It has actually been encouraging to see the instincts most of us seem to have towards finding an area – any area – where we might be able to work together.

There's a gentleman from South Carolina – as conservative as the day is long. We thought we disagreed on every single issue. Then we found one. He's an active member of his church and has become very involved with international human rights issues. He and I have talked several times about how we might be able to work together.

During one of our orientation meetings, we were all gathered to watch the (rather tough) Alabama/Notre Dame game, and I noticed a group of female new members sitting together – Democrats and Republicans – talking about ways to reduce sexual assault in the military.

That's all to say that I've seen glimmers of hope in my first few weeks that maybe partisan battles have worn thin on people and there is an active desire to find common ground.

That common ground is a priority for me.

The challenges this country faces are daunting. The choices we make about our budget, about the size and scope of our government, about cutting and spending: they will define us for generations.

One party, one interest group, one lobby, one individual is not going to solve these problems alone. Our interests and outcomes are inextricably linked. To put it simply: *we're in this together.*

And we're going to have to move forward together. That's going to mean compromise. But it's also going to mean staying true to this country's most fundamental strength: the promise of economic opportunity.

As a Peace Corps volunteer, a prosecutor and a candidate for office, I saw how empowering it can be to make good on that promise, and how devastating it is when we don't.

Over the summer I met Paul, a Vietnam vet from Franklin who built a successful career in precision manufacturing after he returned from war. He got married. Bought a house. Had three kids. Put them through college with the help of loans so they could have a shot at the American Dream just like he did.

But then the company Paul worked for was bought in 2008 and he lost his job – at the age of 61.

On the hook for the hundreds of thousands of dollars in student loans, Paul spent two years sending out over 350 resumes yet is still searching for a job.

To make ends meet, he's now stocking shelves at a local supermarket.

Our economy's failure to create opportunity isn't just hurting Paul and the millions like him across this country; it is profoundly detracting from our greater economic good.

Today there is an 11<sup>th</sup> grader in Fall River whose science class sparked a dream that he may never pursue because his family can't pay for college.

There's a young entrepreneur in Cambridge deciding his next big idea isn't worth the risk because of the uncertainty in the market.

There's a small business owner in Manchester and a high-tech firm in Providence who aren't hiring because they can't find workers with the skillset needed to fill new positions.

Those are a lot of dreams, and a ton of potential left on the table. And if this country doesn't figure out how fix that, lost opportunities will continue to cripple markets, businesses, and our long-term progress.

I believe this is a place where government and industry must be partners.

When I graduated college, I joined the Peace Corps where I spent over two years in the Dominican Republic, working with a rural community that had been exploited for years by big tour companies.

The men in the area served as guides through a rugged set of waterfalls in their backyard. These companies would bus in tourists, charge them up to \$100, and only guarantee the guides about ten cents for literally carrying people up and down the falls on their backs.

So we put together a business plan, raised about \$100,000 in seed money from the UN and USAID and then went to the government and worked with them to put the park under local control.

Then we let business do its thing. Along with fair wages and funds to preserve the park, our model created a community reinvestment fund – where a portion of the entrance fee went directly back into the surrounding area: to buy a school bus, start a scholarship fund, put in water pipes and build a little police station. Wages and employment are up, and the project is still running strong.

The reason I tell that story is because it taught me a very important lesson about the *right* way for government and business to complement each other; how they can work together to put in place incentives to encourage economic development.

I believe government has to be an active partner in setting that framework. Business can take it from there.

In New England, this kind of strategic partnership is particularly important for the innovation and high-knowledge economy that has long been our competitive edge.

In the Commonwealth nearly 40 percent of all employment in our \$400 billion economy revolves around innovation industries like health care, biotechnology, defense, advanced manufacturing, and information technology.

For all of the buzz we hear about the West Coast's entrepreneurial edge, we are quietly leading the way here in New England.

Even with the lower costs of the Raleigh-Durham research triangle and the admittedly nice weather out in San Francisco, the Greater Boston region attracted more investment capital for biotech than any other region in the country. The \$1.6 billion pouring in to fund biotech work in our region in 2011 was nearly double the level of investment in San Francisco.

The amount of new biotech lab space in suburbs west of Boston has grown by more than 50 percent since 2007. There is now enough life science space in the Metrowest area to fill *three* Prudential towers.

That's all good news, but this kind of growth brings challenges. Innovation industries depend heavily on investment and business spending, instead of the consumer spending that tends to drive US markets.

And while business goods and services fared better than consumer goods in the heart of the recession, we have now moved beyond initial recovery.

Businesses big and small remain wary of investments and capital expenditures as the fiscal climate gets harder and harder to predict, a fact I know I don't have to tell *anyone* in this room.

All this helps explain why Massachusetts' output actually grew more slowly than the national economy in the third quarter of 2012.

And it's why what happens down in Washington these next few months is so critical.

We need a balanced and bipartisan plan to tackle our debt and deficit; one that removes the uncertainty from the market and gets American investment capital off the sidelines to power new industry.

A plan that recognizes that while we need more revenue for long-term fiscal stability, we cannot eliminate rewards for our entrepreneurs and investors. A strong, knowledge-based, innovation economy must promote responsible risk-taking.

My own district is an excellent example of the value these sectors have for local growth. Former industrial towns like Attleboro, Taunton and Fall River – which have suffered mightily from the downturn in traditional manufacturing – are reinventing their local economies around innovation industries that create the kind of well-paid, high-skill, middle-class jobs our cities and towns need.

We have a new Bio Park going in at UMass Dartmouth, in Fall River, and the Myles Standish Industrial Park in Taunton – the largest in our state – is now

focusing on an expansion phase dedicated solely to life sciences.

West of here, in places like Franklin and Milford, precision manufacturing of everything from air monitors to medical devices is putting hundreds of people back to work.

Across this district and around New England, our challenge is not just to support and promote this growth, but to expand the opportunity that it brings.

Regional connectivity is this region's inherent advantage. Capitalizing on it – on both a physical and philosophical level – allows us to share resources, share talent and share success.

Roads, rail and bridges across the region reflect an unfortunate byproduct of our rich history: the wear and tear of time. Government can help local communities upgrade and expand transportation options.

That's why projects like South Coast Rail are important priorities in my district: we need the infrastructure required to support top-tier industry.

We also need a workforce ready to work.

If we shore up STEM education, make the American Opportunity Tax Credit permanent, increase the annual maximum on each student's Pell Grant total, and put our state schools and community colleges in reach for more working and middle class families, then that 11<sup>th</sup> grader from Fall River will have a pathway to an entry-level job at a top biotech firm, with a starting salary of \$50,000 a year.



\$50,000 a year might not mean much in Kendall Square. But it's nearly double the median household income in Fall River.

According to the Federal Reserve Bank of Boston, New England has done well moving students from 'middle-skill' (some college or an associates degree) to 'high-skill' (a bachelors or graduate degree).

But they found that where we struggle is moving people from "low-skill" (high school dropout level) to "middle-skill."

There will be an enormous need for qualified, middle-skill workers in sectors like advanced manufacturing, where it's estimated that over 100,000 jobs will open up over the next decade.

If we want to seriously tackle regional unemployment, then government *and* business need to partner with educators to ensure our workforce is ready to fill those jobs.

In supporting that innovation economy, government also has a role to play in giving our scientists, engineers and entrepreneurs access to the capital they need to continue New England's industry-leading research and development.

National Institutes of Health, National Science Foundation, and Small Business Innovation Research grants have been key drivers of innovation across New England.

Massachusetts receives the highest per person amount of Small Business Innovation Research funds and Small Business Technology Transfer funds in the country.

As a member of the Science and Technology Committee, working to expand these critical federal grants is a priority for me, as well as supporting pro-growth fiscal measures like making the R&D tax credit permanent.

The final thought I'll leave you with today is that the challenges our country faces right now, especially the economic ones, are largely uncharted territory.

The dimensions of our markets, the spectrum of our growth, the interconnectedness of our businesses: these changes have fueled astronomical advancements but have created economic terrain that has yet to be navigated.

In the face of that reality, the answer will not be one size fits all. It will not be found in oversimplified phrases like "more government" or "less government."

Complex problems demand creative solutions. Already, we're seeing the power of public and private sector collaboration.

Tools like social impact bonds and social innovation financing show us that business can play a critical role in problems often left to government – from homelessness to prisoner rehabilitation.

At the same time, there are places where public investment can accelerate private solutions. Areas where the frontiers of research in science and manufacturing can produce game-changing results, but where capital costs are prohibitive.

Individual companies might not be able to justify the investment required, but federal dollars can help private firms absorb the risk and can fast-track R&D.

Many of the challenges we face today we created yesterday. The only way we will have a better tomorrow is if the public and private sectors are both active and engaged in seeking solutions.

You all have a unique and powerful voice in the debates over the budget, the debt ceiling and sequestration.

Please use it. Lend your credibility, your expertise and your insight to the cause of *getting things done*. To compromise and to creative responses to tough questions.

We need you at the table.

I can't promise you that we will always agree. But my door will always be open.

I'll listen to you about where and how you think government can help: even when that means staying the heck away!

If there was one thing I learned from my great uncle, Senator Kennedy, and from my father, it was that relationships matter. That we may disagree sometimes, but that trust and respect will always transcend the politics of the day.

I hope, in the weeks and months ahead, to earn your friendship and your faith. To hopefully, eventually, convince you that working with me is more tolerable than both lice and a colonoscopy.