

Opening Statement of the Honorable Lee Terry
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Our Nation of Builders: Manufacturing in America”
February 14, 2013

(As Prepared for Delivery)

Good Morning, and Happy Valentines Day. We expect a love-fest at our hearing ...and speaking of love fest...today is my 21st Wedding anniversary.

With a subcommittee title as broad as “Commerce,” “Manufacturing,” and “Trade,” our first hearing could have dealt with any number of issues. The agencies and subject matter within our jurisdiction are as numerous as they are diverse—and all have complex issues worthy of being discussed before a Congressional committee.

I would like to thank all of our witnesses for traveling to Washington for this hearing. In particular, I would like to thank Bob Holler from 3M, for making the trip. 3M has a great manufacturing facility in Valley, Nebraska that employs over 500 people. Hopefully today, Bob and some of the other witnesses can shed some light on why those chose to manufacture here in the U.S.

Today, we are going to start from square one by focusing on a sector which has undoubtedly served as a core building block in securing America’s greatness. Manufacturing.

Our goal is simple: to hear directly from the individuals most intimately effected by U.S. manufacturing policies---the manufacturers themselves-- and gain a clearer understanding about what is right with American manufacturing today and what can be done to make it better tomorrow.

We will hear from eight different business leaders representing a broad cross-section of U.S. manufacturing - companies making everything from the glass used for iPads and smartphones, to respirator masks and missile defense systems.

My hope is that a wide range of ideas and perspectives will surface during this discussion that can, in a matter of speaking, “set the table” for more specific manufacturing topics we will tackle down the road.

While today’s discussion will likely be wide-ranging, subsequent hearings could focus on specific manufacturing sectors like autos and auto parts, pharmaceuticals, chemicals, energy, and steel.

Why have we chosen to kick-off the 113th Congress with a series of hearings covering a topic as broad as the state of U.S. manufacturing? The bipartisan manufacturing showcase this morning, which highlighted over 60 products from 20 different districts on this subcommittee, should say it all.

In the districts represented on our subcommittee alone, manufacturing accounts for over 800,000 jobs, which pay an average wage of \$77,000 nationally according to the National Association of Manufacturers. In Nebraska alone, the manufacturing sector consisted of over 37,000 jobs in 2011.

One would think that given this morning’s showcase and these impressive statistics that the United States was living up to the surtitle of our hearing series, “Our Nation of Builders.” Unfortunately with each passing year, this title becomes more representative of our past and less so of our future.

The domestic manufacturing sector was hit the hardest in terms of job losses during the Great Recession. While manufacturing jobs account for just a tenth of the nation’s jobs, this sector suffered a third of the nation’s job losses. To be clear---during a time of record unemployment— roughly 33 percent of the jobs lost were in the manufacturing sector.

To paint an even starker picture of the state of U.S. manufacturing, the Information Technology & Innovation Foundation reported that the manufacturing sector suffered an average 3.1 percent per year decline for the 2000 to 2011 period, resulting in an average job loss of nearly 1,300 jobs per day.

We often talk about job creation - President Obama devoted a significant piece of his State of the Union to it - but what does job creation really mean?

One answer could be working to create an environment where companies already here see it worth their while to expand--- and companies manufacturing abroad want to come to America, make investments in capital, and take advantage of the most productive manufacturing labor force in the world—because I truly believe that our labor force is second to none.

Another potential answer could be reigning in the costs of regulations. According to the National Association of Manufacturers, on average, manufacturers of all sizes spend over \$14,000 per employee to comply with regulations. Even when taking into account environmental regulations alone, manufacturers spend over \$7,200 per employee in regulatory compliance costs. No wonder it costs 20 percent more to manufacture in the U.S.

I agree with the president. We need to focus here in Congress on how we attract more jobs to our shores. We need to ask how we can equip people with the skills needed for the jobs that will power the engine of job creation.

Manufacturing doesn't just create jobs, it creates good, high-paying jobs, and it creates jobs in other sectors. Manufacturing has one of the strongest multipliers effects in the economy: every \$1 in direct spending produces an additional \$1.35 in indirect output. But the benefits of manufacturing don't stop there: a strong manufacturing base is key to closing our trade deficit and to sustaining a U.S. economy that can be a leader in the global economy for the long term.

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