



COMMITTEE ON
ENERGY & COMMERCE
DEMOCRATS
RANKING MEMBER FRANK PALLONE, JR.

FOR IMMEDIATE RELEASE
September 26, 2018

CONTACT
[CJ Young](#) (202) 225-5735

Pallone Remarks at Hearing on Manufacturing in America

Washington, D.C. – *Energy and Commerce Ranking Member Frank Pallone, Jr. (D-NJ) delivered the following opening remarks today at a Subcommittee on Digital Commerce and Consumer Protection hearing on “Built in America: Jobs and Growth in the Manufacturing Sector.”*

A strong manufacturing sector is vital to our identity as a nation. It is the source of countless scientific and technological breakthroughs, and it is essential to maintaining our national defense capabilities.

Manufacturing serves as an important building block for a strong and stable middle class in this country. Manufacturing jobs have historically paid more, on average, than jobs in other sectors, and they tend to bring with them strong spillover effects for local and regional economies. In my home state of New Jersey, we have nearly 10,000 manufacturers, from large pharmaceutical firms to small machine shops. These manufacturers employ almost 250,000 people and contribute more than \$30.1 billion to New Jersey’s economy.

I am pleased we are holding a hearing on the state of U.S. manufacturing. Our communities are stronger when we can develop well-paying and stable jobs. But the Republican majority for two years now has repeatedly prioritized the needs of large corporate interests and the wealthiest few. The American people have not been fooled by Republicans’ claims about their giant tax scam. The American people know that the benefits of the tax law overwhelmingly go to the wealthiest few. Congressional Republicans also continue to push harmful regulatory rollbacks that undermine innovation and job growth.

Despite all evidence to the contrary, Republicans are likely to tout the successes of their tax scam today. Yet repeatedly we’ve seen that most companies have not and do not intend to use the money for capital investment. In fact, we remember all too well watching President Trump’s former lead economic advisor Gary Cohn’s distress when a group of CEOs were asked if they intended to increase their investments when the tax cuts became law and almost none of them raised their hands. Gary Cohn sat shocked asking, “Why aren’t the other hands

up?” Their hands did not go up because they intended for most profits from the tax cuts to go to shareholders, and that’s exactly what has happened.

Contrary to the majority’s claims, deregulation has caused substantial uncertainty and angst for manufacturers. For example, eight years ago, the CAFE standards were put into place to increase fuel economy for cars and light-duty trucks by Model Year 2025. U.S. manufacturers and their suppliers innovated and invested in advanced technologies. CAFE provided certainty to these firms, allowing them to invest in a pipeline of jobs for the long term. All of that investment and innovation was upended in August when the Trump Administration announced a proposal to roll back CAFE. This announcement threw into disarray well-laid plans for innovation and job growth.

The Trump Administration’s efforts to dismantle the Clean Power Plan have created even more uncertainty for the manufacturing sector. And, this Administration’s efforts to abuse emergency authorities to subsidize the coal and nuclear industries threatens to hurt natural gas-fired electricity producers and the renewables industry, while raising costs for U.S. manufacturers at the same time.

What American manufacturing needs is for the federal government to prepare and implement a coordinated, long-term strategy for manufacturing success and job growth. Our key competitors have figured this out already. Since 2015 the Chinese government has invested billions of dollars into its Made in China 2025 campaign, a 10-year plan for transforming its economy from commodities to advanced manufacturing.

The Obama Administration recognized this need and established the National Network for Manufacturing Innovation, now known as Manufacturing USA. This is a network of industry, academic, and government partners working to increase U.S. manufacturing competitiveness and spur innovation. To date, this network has 14 institutes specializing in a variety of advanced manufacturing sectors, such as advanced robotics and light-weight metals. The plan was to open three times as many institutes, and I encourage the current Administration to follow through with this initiative. It is time to stop making manufacturing policy on a whim, and instead to think strategically about the future needs of this country.

American manufacturing also needs companies to step up and invest, not just in their plants but in their workers as well. Too often good manufacturing jobs become part-time jobs without benefits. And workers are increasingly losing their power to negotiate for better conditions and higher wages. The federal government needs industry to be a partner in creating a vibrant manufacturing economy.

I hope this hearing can explore that partnership. Thank you, I yield back.

###

