

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

Hearing on “Investing in American Jobs: Legislation to Strengthen Manufacturing and Competitiveness”

October 14, 2021

Today, the Committee continues its work of revitalizing our economy by examining legislation to strengthen our manufacturing and competitiveness.

America’s competitiveness helped build the largest, most dynamic economy in the world, but it is facing unprecedented challenges. For three decades, the Institute for Management Development designated our nation’s economy as one of the five most competitive in the world. Since 2019, that ranking has fallen to tenth, making it more difficult for our economy to create good paying jobs for the American people.

The decline in our international competitiveness has been exacerbated by the steady erosion of America’s industrial might. Once the envy of the world, our manufacturing base has faced steady headwinds for decades now. Between 2002 and 2016, our nation’s share of global manufacturing activity declined from 28 percent to just over 18 percent. More than five million manufacturing jobs have been lost since 2000. Investment in America’s small and medium manufacturers—the bedrock of our industrial might—has also declined over the last 20 years by more than \$200 billion.

These numbers are staggering, and they come at a time when the industrial power of our international counterparts is on the rise. China superseded the United States as the world’s largest manufacturing country in 2010. And manufacturing output has grown faster in Germany, Mexico, and South Korea than it has here in the United States.

As a result, America now relies on production in other countries for many of our necessities, such as consumer electronics, household goods, food, and pharmaceuticals. Weak supply chains threaten our industrial and technological sovereignty. Our declining manufacturing capacity harms our national security and economic vitality.

These vulnerabilities became devastatingly apparent during the COVID-19 pandemic. And ongoing disruptions of critical products like semiconductors—computer chips essential for the production of military equipment, automobiles, and consumer electronics—has hampered our nation’s recovery.

But adverse market forces and supply chain disruptions are not the only challenges facing domestic producers and America’s competitiveness. Online marketplaces have become pervasive sources of fraudulent, counterfeit goods. The Government Accountability Office (GAO) found

that 20 of 47 items it purchased from third-party sellers on popular consumer websites were counterfeit. GAO also found that 16 percent of counterfeit products seized in Fiscal Year 2018 posed a direct risk to health, safety, and security.

Counterfeiters steal market share from legitimate businesses and can cause severe reputational damage to the companies and products they impersonate. Online marketplaces should know who is selling products on their platforms and consumers should be able to know who they are buying from. Fraudsters claiming their products are “Made in USA” undermine the integrity of domestic content labels and harm producers who are truly making goods in America.

These unprecedented challenges to our economic prosperity and competitiveness cannot go unchallenged. Today, we are examining legislation to strengthen the nation’s manufacturing might, economic vitality, and American competitiveness.

We will discuss four bipartisan supply chain bills that create a whole-of-government process for identifying, monitoring, and closing supply chain vulnerabilities that imperil our national security and economic welfare. These bills provide targeted investment to boost our manufacturing base, strengthen supply chains, and ensure that America is prepared to meet the next crisis. They counteract disruptive market forces and ensure that the United States is shaping the global economic order with our core values.

We will also discuss the INFORM Consumers Act, which will help prevent counterfeit and harmful consumer products from entering the market. The legislation also provides small businesses and domestic producers much needed relief during these challenging economic times.

These bills and the other legislation under consideration today can help us turn the tide. I thank the witnesses for their testimony and look forward to the discussion.