

Opening Statement of the Honorable Lee Terry
Subcommittee on Commerce, Manufacturing, and Trade
Hearing on “Discussion Draft of H.R. _____, the Global Investment in American
Jobs Act of 2013”
April 18, 2013

(As Prepared for Delivery)

Good Morning and welcome to our panelists and other guests.

The purpose of today’s hearing is to highlight the importance of Foreign Direct Investment in the United States, and learn more from the experts on how lowering barriers to foreign investment in our country can have significant benefits for the economy as a whole.

I hate to steal Under Secretary Sanchez’s thunder—but his testimony lays out some facts that deserve being mentioned twice. In 2010—U.S. affiliates of foreign firms employed over 5.3 million workers making an average of \$77,000 per year. These firms accounted for \$41.3 billion worth of Research and Development efforts and \$149 billion worth of capital expenditures that same year. In the manufacturing sector alone, FDI inflows were nearly \$84 billion in 2012, according to the National Association of Manufacturers.

These statistics tell a clear story: increasing capital in the form of direct foreign investment has positive effects on manufacturing, increased exports, job creation and U.S. competitiveness. It is just that simple.

Unfortunately, these rosy statistics fail to tell the whole story. Foreign direct investment in the United States has fallen drastically, relative to other nations. According to testimony we will hear today from the Organization for International Investment, the U.S. share of foreign direct investment has dropped from 41% in 1999 to 17% in 2011.

The reality is that, while the U.S. remains an economic leader, other nations are beginning to catch up. The statistic I just mentioned is indicative of that. Companies want to manufacture in a country where there is a fair corporate tax code, a high degree of regulatory certainty and a set of policies that welcome investments into the economy.

The United States cannot rest on its laurels. We need to take a hard look at some of our national policies and assess whether they are stunting our ability to attract companies to the U.S. that have proven they create jobs and help grow our economy. The legislation that I will be introducing in the following days, the Global Investment in American Jobs Act of 2013, is the first step in this process.

I hope that every member of this subcommittee, on both sides, will be willing to cosponsor this legislation. Given what we will learn in today’s hearing from our panels of experts and what we have heard in our last three hearings focused on manufacturing, it should be a “no-brainer.”

Investing in American Jobs is not a partisan issue—when companies like Toyota and Honda choose to open up manufacturing facilities in Tennessee and Kentucky and Ohio and South Carolina—we all win. We heard from some of their executives just last week. When they opened their doors, thousands of jobs were created, directly and indirectly. Local, state and federal tax revenues went up—not because marginal rates went up—but because the economies in those cities and states grew and because more people were working. We heard from these companies how they helped change the communities they became a part of—contributing through outreach programs like workforce training and charitable giving.

If my legislation, the Global Investment in American Jobs Act of 2013, can succeed at highlighting what the U.S. needs to do to keep attracting more great companies to our shores, then it is a win for every U.S. worker.

The U.S. can still be one of the most attractive places in the world to invest capital. We have a large and affluent consumer base, a strong rule of law when it comes to intellectual property and one of the best and most productive workforces in the world.

It is my hope that today's hearing can help us highlight some areas where barriers on foreign direct investment currently exist—so that we can build upon the positives I just mentioned and not only compete for, but win, opportunities for more foreign investment.

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