

**Testimony of James T. Brett
President and CEO, The New England Council
House Democratic Caucus Make It In America Hearing
Tuesday, July 28, 2015**

Congressman Hoyer and members of the House Democratic Caucus – my name is Jim Brett, and I am the President and CEO of The New England Council, the nation’s oldest regional business association.ⁱ The Council is a non-partisan alliance of businesses, academic and health institutions, and public and private organizations throughout New England formed to promote economic growth and a high quality of life in the New England region. Our mission is to identify and support federal public policies and articulate the voice of our membership regionally and nationally on important issues facing New England.

Let me first commend you, Congressman Hoyer, for your incredible focus on manufacturing in America. Your initiative has made great strides over the past five years, and The New England Council is pleased to see the passage of so many of your caucus’ Make It In America legislative priorities during that time, including the America COMPETES Reauthorization Act, the SBIR/STTR Reauthorization Act, and the Export-Import Bank Reauthorization Act – and on that note, the Council hopes that this Congress will move quickly to reauthorize the ExIm Bank before the August recess.

I would add that the Council was also heartened to see the bipartisan Revitalize American Manufacturing and Innovation, or RAMI, Act signed into law last year, and we were proud that Congressman Joe Kennedy was the lead Democratic co-sponsor of that bill alongside a number of other New England Senate and House co-sponsors.

I am pleased to be with you today to discuss our new report on the advanced manufacturing sector in New England and what lessons we learned in the process of compiling the study. In January 2010, The New England Council first partnered with Council member Deloitte Consulting, LLP, to release a report on advanced manufacturing in New England that debunks the myth that manufacturing is a dying industry, and highlights the significant potential for the creation of high-paying jobs in this industry.

Five years later, we have again partnered with Deloitte to document the new technologies, new processes, new companies, and renewed interest in what the future of manufacturing will look like. And we had tremendous input for this report, including nearly 150 interviews with individuals from all six states – including representatives from industry, higher education, technical assistance providers, and state governments. The result is *Advanced to Advantageous: The Case for New England’s Manufacturing Revolution*,ⁱⁱ and the Council is extremely proud of the work Deloitte undertook on a pro bono basis in producing this study.

So where are we now? We found that, overall, advanced manufacturing in a growing industry in New England, with our region being particularly strong in five key sectors: signal processing, navigation, optics, and measurement; aerospace and defense; medical devices and biotechnology; semiconductors and complex electronics; and precision machining. Of the total manufacturing jobs in New England (640,640), nearly 60 percent (376,517) can be classified as advanced.

Additionally, manufacturing remains an integral and vital driver of economic growth for the region; in fact, advanced manufacturing is responsible for \$62.6 billion in Gross Domestic Product (GDP) in New England.

It is also worth noting that advanced manufacturing in New England has weathered the storm of the recent recession well, and has by-and-large recovered, with a seven percent growth in employment across the region since 2009. That said, if we had been able to fill the roughly 18,000 unfilled advanced manufacturing jobs we identified in New England in 2011 and 2012, that recovery would have equaled a 12 percent employment growth.

Furthermore, we identified three key game changers that are transforming the advanced manufacturing landscape: additive manufacturing, or 3-D printing; digital design and manufacturing; and the Internet of Things. These are all disruptive technologies that break traditional economic trade-offs within the manufacturing economy, and they all represent a new frontier of productivity and possibility for New England's – and America's – advanced manufacturers.

A number of our findings and recommendations align with the areas of interest your members vocalized at your last hearing on July 9th, specifically: supporting fab labs and the development of Maker spaces; learning to utilize the powerful Internet of Things; promoting STEAM education initiatives; and expanding career training to address skills shortages.

To that end, our report recommends building comprehensive education pathways that feature multiple on-ramps and off-ramps, transferability of credit, and industry-recognized credentials, as well as increasing industry partnership and apprenticeship opportunities. Closing the skills gap means that each state must build a holistic model for workforce development that begins with hands-on learning in the K-12 system, continues into higher education --including community colleges--and understands the need to re-train the incumbent workforce.

One of the most critical recommendations in our report—and one that we can all help accomplish—is the rebranding of manufacturing. The fact of the matter is, many people still view manufacturing as a dirty, dark, dangerous, and declining industry, and that is simply an outdated image. While manufacturing has advanced over time, the general public has not been exposed to that transformation. We need to get parents, teachers and guidance counselors to see that today's manufacturing is made up of the four “A's” – advanced, advantaged, added-value, and accelerating – rather than those four “D's”, and we need to expose kids to the concept of making things earlier in their educational journey.

Rounding out our six-point action plan, we advocate for New England to work collaboratively to secure an advanced manufacturing institute under President Obama's National Network for Manufacturing Innovation (NNMI) initiative – which the RAMI Act authorized – and we advocate for actions that will support small and medium-sized manufacturers as well as align policy with industry.

Throughout the detailed process of putting together this report, we also discovered what we call “islands of excellence” – innovative policies, processes, and programs that have originated in

each state to address challenges to the advanced manufacturing industry. While many of these “islands” serve a small or localized group of recipients in a manner that aligns quite closely with what industry, government, and educators are clamoring for, there are often funding or geographic challenges that have limited these successful models from being adopted more broadly. Our hope is that this report helps expose people across to region to some of these “islands” that they might not have otherwise heard of, so that these best practices can be scaled up and help affect systemic regional change. I would recommend that you take a look at some of the examples we provide in Appendix B of our report.

The Council is pleased that so many of our region’s Senators and Representatives have taken such a strong interest in our report and in the need to promote advanced manufacturing. Last month, Congressman Neal hosted a gathering of the New England House delegation in this very building so that his colleagues could hear directly from the Council and Deloitte about the issues raised in this report. To their credit, 16 of New England’s 21 member of the House of Representatives attending the briefing. Additionally, as we bring the report to each of the six New England states, we have held events where members of the delegation have stepped forward to participate, including Congressman Cicilline in Rhode Island, Congressman Larson in Connecticut, and Congresswoman Kuster in New Hampshire. We look forward to continuing our collaboration with each and every member of the New England delegation because every district is home to hundreds of advanced manufacturing jobs.

As I like to say about our report, it is not only a roadmap for New England’s sustained advantage in the realm of advanced manufacturing, but it is also a call to action. While we enjoy strengths that other areas of the country may not, we cannot rest on our laurels. Our country enjoys strengths that many other nations do not, and I hope that some of my insights presented here today will help inform your efforts to ensure that our workers are able to Make It In America for generations to come.

Thank you for the opportunity to testify today, and in particular thank you to Congresswoman Esty for recommending the Council’s participation in this hearing, and I look forward to any questions you may have.

ⁱ To learn more about The New England Council, please visit <http://www.newenglandcouncil.com>

ⁱⁱ To view the full report, please visit http://newenglandcouncil.com/assets/Advanced-to-Advantageous_FINAL-Report_04-08-2015.pdf