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January 8, 2014

Senator Sherrod Brown  
713 Hart Senate Office Building  
Washington, DC 20510

Senator Roy Blunt  
260 Russell Senate Office Building  
Washington, DC 20510

Congressman Tom Reed  
1037 Longworth House Office Building  
Washington, DC 20515

Congressman Joseph P. Kennedy, III  
1218 Longworth House Office Building  
Washington, DC 20515

Dear Senator Brown and Blunt and Congressman Reed and Kennedy,

We wanted to take this opportunity to express our support for S. 1468/H.R. 2996, the Revitalize American Manufacturing and Innovation (RAMI) Act of 2013.

If America is to remain a global economic leader, we must continue to invest in the scientific and engineering enterprise that generates new technologies, industries and jobs. However, since 2005, the National Academy of Science has demonstrated through a series of its 'Rising Above the Gathering Storm' reports that the United States is falling behind in critical measures of technology, education, innovation, and highly skilled workforce development. Exacerbating an already troubling statistic, the decline in U.S. employment in manufacturing has accelerated over the last decade, as manufacturers moved overseas and shed a net 5.7 million jobs since 2000. These jobs represent the entire range of manufacturing activities, from simple assembly to highly complex advanced manufacturing. In fact, the net U.S. trade deficit in Advanced Technology Products (ATP) increased by almost \$50 billion from 2009 to 2011 alone to \$100 billion. This deficit followed a positive trade balance in ATP prior to 2002.

These declines are particularly troubling for America's long-term economic prosperity. The jobs produced by manufacturing activities are generally high-paid, and represent an entry point into the middle class for a significant portion of the workforce. Additionally, the manufacturing jobs of the future are likely to involve advanced technology products. Furthermore, a strong manufacturing base is critical to America's national security. The need to maintain domestic capacity for the manufacture of key products and to maintain a highly skilled and creative workforce are the foundation for a strong manufacturing economy and a strong national defense. Continued erosion of the U.S. manufacturing base will only increase procurement costs for the Department of Defense, placing further strains on defense funding resources in a time of already tightened defense budgets.

America's manufacturing sector holds significant promise for expansion and job creation. U.S. manufacturers produce over 20 percent of all global manufacturing products, account for 12 percent of U.S. GDP and employ about 11 percent of the private sector workforce.



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U.S. manufacturers are also a critical part of our innovation enterprise, performing almost two-thirds of advanced stage research and development activities. While the innovations in the US have been responsible for flat panel displays, lithium ion batteries, and solar cells, as examples, most of the economic benefits from manufacturing these items have been gained overseas. The impact of manufacturing extends to other sectors of the economy, with manufacturers contributing more on a dollar for dollar basis than any other sector of the economy, thanks to the multiplier effect of manufacturing on the shipping, power, financial, and a host of other highly skilled service sector industries. Estimates are that for every \$1 in manufacturing value added, \$1.48 in additional value is created in other sectors.

The Revitalize American Manufacturing and Innovation Act of 2013 is bipartisan legislation, supported by the U.S. Chamber of Commerce, the National Association of Manufacturers (NAM), and SEMI, that would create a network of regional institutes across the country, each focused on a unique technology, material, or process related to advanced manufacturing. These institutes would expand research and development, help new technologies bridge the “valley of death”, support small and mid-sized manufacturers, and train the next generation of advanced manufacturing workforce.

At a time when the United States is addressing major budget issues, the funding requested in this legislation would be an important investment in America’s future. The investment in the advanced manufacturing enterprise offers one of the best returns compared to any industry in the United States. The National Network for Manufacturing Innovation is a sound plan to revitalize the advanced manufacturing sector, and has been demonstrated by a pilot institute on Additive Manufacturing established in Youngstown, Ohio in the summer of 2012. This pilot institute attracted private investment from over 80 organizations to exceed the mandated 50% match of federal funds. Coupled with the hundreds of applications for the next three institutes, there is a demonstrated interest and need for expansion of this network.

Another important factor to keep in mind is the competitive nature of manufacturing. Other nations around the world are taking this opportunity to invest in their manufacturing sector in order to become more competitive. Germany allocates \$660 million annually to its Fraunhofer Institutes. Australia has approved a one-time only investment of \$1.04 billion to its manufacturing sector, a \$10 billion investment when scaled by size of economy. Japan has also invested \$1.85 billion in a one-time only allocation to “translate university research into commercial applications”. The US needs to level the playing field by making a similar investment in our manufacturing future.

Please let us know what we can do to help continue to move this initiative forward.

Sincerely,



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