

THE FISCAL YEAR 2022 DEPARTMENT OF
COMMERCE BUDGET

VIRTUAL HEARING
BEFORE THE
SUBCOMMITTEE ON CONSUMER PROTECTION AND
COMMERCE
OF THE
COMMITTEE ON ENERGY AND
COMMERCE
HOUSE OF REPRESENTATIVES
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THE FISCAL YEAR 2022 DEPARTMENT OF COMMERCE BUDGET

TUESDAY, JUNE 8, 2021

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CONSUMER PROTECTION AND
COMMERCE,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The subcommittee met, pursuant to call, at 2:02 p.m., via Cisco Webex online video conferencing, Hon. Jan Schakowsky (chair of the subcommittee) presiding.

Members present: Representatives Schakowsky, Rush, Castor, Trahan, McNerney, Clarke, Cárdenas, Dingell, Kelly, Soto, Rice, Craig, Fletcher, Pallone (ex officio), Bilirakis (subcommittee ranking member), Upton, Latta, Guthrie, Bucshon, Dunn, Pence, Lesko, Armstrong, and Rodgers (ex officio).

Also present: Representatives Matsui and Joyce.

Staff present: Billy Benjamin, Systems Administrator; Jeffrey C. Carroll, Staff Director; Lisa Goldman, Senior Counsel; Waverly Gordon, General Counsel; Jessica Grandberry, Staff Assistant; Daniel Greene, Professional Staff Member; Tiffany Guarascio, Deputy Staff Director; Perry Hamilton, Clerk; Alex Hoehn-Saric, Chief Counsel, Communications and Consumer Protection; James Johnson, Policy Coordinator; Ed Kaczmariski, Policy Analyst; Zach Kahan, Deputy Director, Outreach and Member Services; MacKenzie Kuhl, Digital Assistant; David Miller, Counsel; Kaitlyn Peel, Digital Director; Chloe Rodriguez, Clerk; Kylea Rogers, Staff Assistant; Andrew Souvall, Director of Communications, Outreach and Member Services; Caroline Wood, Staff Assistant; C.J. Young, Deputy Communications Director; Anna Yu, Professional Staff Member; Sarah Burke, Minority Deputy Staff Director; Peter Kielty, Minority General Counsel; Bijan Koohmaraie, Minority Chief Counsel; Tim Kurth, Minority Chief Counsel, Consumer Protection and Commerce; and Michael Taggart, Minority Policy Director.

Ms. SCHAKOWSKY. The Subcommittee on Consumer Protection and Commerce—somebody unmuted—will now come to order.

So today we will hold a hearing that is entitled “The Fiscal Year 2022 Department of Commerce Budget.”

Due to—I am going to say it again—due to the COVID-19 public health emergency, today’s hearing is being held remotely. All Members and witnesses will be participating via videoconference.

As part of our hearing, microphones will be set on “mute” for the purpose of eliminating inadvertent background noise. Members and

witnesses, you will need to unmute your own microphones each time that you wish to speak. Additionally, Members will need to be visible on the screen in order to be recognized.

Documents for the record can be sent to Ed Kaczmariski at the email address that we have provided to your staff. All documents will be entered into the record at the end of the hearing.

The Chair now recognizes herself for 5 minutes.

Oh, I see. OK. OK. I will be right there.

OK. I am not muted, am I? Somebody answer me. No?

Mr. CÁRDENAS. Yes, we can hear you.

Ms. SCHAKOWSKY. OK, you can hear me. OK.

OPENING STATEMENT OF HON. JAN SCHAKOWSKY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

So welcome, everyone, to today's hearing, which will be conducted in order to do oversight of the Department of Commerce. We are so lucky to have Secretary Gina Raimondo with us today.

You know, our subcommittee has one of the largest jurisdictions of any subcommittee in the House of Representatives. The Department of Commerce has a similarly wide jurisdiction. Yes, the Department of Commerce impacts everyday Americans in so many different ways, some seen, some unseen. So, today, I will focus on the Secretary's role in overseeing our country's manufacturing competitiveness.

The COVID-19 crisis laid bare our uneven manufacturing policies over the last 40 years—policies that, overall, have made American families poor and left our country flatfooted in the early days of the COVID-19 pandemic. Our manufacturing sector lacked the capacity to produce many of the goods that were needed to respond to the virus. And we also experienced a shortage of essentials like semiconductors, which are needed in so many different American products.

At the heart of these failures were the two worst public policy decisions, at least in my opinion, of the last 30 years: NAFTA 1.0 and Chinese ascendance into the World Trade Organization. And, really, that is why Joe Biden, as part of his Build Back Better agenda, prioritized reshoring key American manufacturing capacities and promoting supply-chain integrity.

Key pieces of the President's plan are right now—I mean right now—in the Endless Frontier Act in the Senate—they are voting, I think, at this moment—currently being voted on in the Senate. And I intend to introduce legislation that will strengthen our priorities by promoting a bottom-up approach that ensures that local communities are included in the crafting of our manufacturing policy.

The American Jobs Plan and American Family Plan rejected policies that disproportionately favored big corporations and executives—policies that really have led to the greatest income inequality in a century. This worker-first agenda must be promoted, and the Wyden-Crapo efforts to entrench Big Tech's failed policy models as part of the Endless Frontiers Act must be rejected.

I look forward very much to the Secretary's testimony and yield the balance of my time to Mr. McNerney.

[The statement of Ms. Schakowsky follows:]

PREPARED STATEMENT OF HON. JAN SCHAKOWSKY

Welcome everyone to today's hearing in which we will conduct budgetary oversight of the Department of Commerce. We are so lucky to have the Secretary, Gina Raimondo, with us today.

This subcommittee has one of the largest jurisdictions of any subcommittee in the House of Representatives. The Department of Commerce has a similarly wide jurisdiction. Yes, the Department impacts everyday Americans in so many ways, seen and unseen.

Today I want to focus on the Secretary's role in overseeing our country's manufacturing competitiveness. The COVID-19 crisis laid bare our uneven manufacturing policies over the last 40 years—policies that overall have made American families poorer and left our country flat-footed in the early days of the COVID-19 pandemic. Our manufacturing sector lacked the capacity to produce many goods needed to respond to the virus, and we also experienced a shortage of essentials, like semiconductors needed for so many American products.

At the heart of these failures were the two worst public policy decisions of the last 30 years—NAFTA 1.0 and Chinese accession to the World Trade Organization.

That is why President Biden, as part of his Build Back Better Agenda, prioritized re-shoring key American manufacturing capacities and promoting supply chain integrity.

Key pieces of the President's plan are in the Endless Frontiers Act, currently being voted on in the Senate. I intend to introduce legislation that will strengthen these provisions by promoting a bottom up approach that ensures local communities are included in the crafting of our manufacturing policy.

The American Jobs Plan and American Families Plan reject policies that disproportionately favor the big corporations and executive—policies that have led to the greatest income inequality in a century.

This worker-first agenda must be promoted and the Wyden-Crapo efforts to entrench Big Tech's failed business models as part of the Endless Frontiers Act must be rejected.

I look forward to the Secretary's testimony and yield the balance of my time to Mr. McNerney.

Mr. MCNERNEY. Well, I thank the chairwoman for yielding.

Secretary Raimondo, welcome. It is great to have you here before the committee.

As the chairwoman just said, the Department has a very broad mission, and the agency's work is critical to our competitiveness, promoting economic growth and job creation. It is front and center to strengthening our economy.

I am pleased that the President's job plan and fiscal year 2022 budget request for the Department would establish robust programs to revitalize and strengthen our domestic manufacturing sector and support critical supply chains.

I am also pleased to see the administration's announcement this morning about creating a supply-chain disruption task force to address short-term supply-chain needs. It is good to see that this administration is taking supply-chain issues very seriously. The pandemic exposed significant vulnerabilities in our supply chains, and it is imperative that we take necessary steps now to address both short-term needs and to be prepared for the next emergency.

I look forward to your testimony, and I yield back.

Ms. SCHAKOWSKY. The Chair now recognizes Mr. Bilirakis, who is ranking member, of course, of the Subcommittee on Consumer Protection and Commerce, for 5 minutes for his opening statement.

OPENING STATEMENT OF HON. GUS M. BILIRAKIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. BILIRAKIS. Thank you, Madam Chair. I appreciate it. Good morning. Again, thank you for holding this hearing.

And welcome to Secretary Raimondo again, the Commerce Secretary. Welcome to the Energy and Commerce subcommittee. First and foremost, congratulations on your confirmation as the Department of Commerce Secretary. We appreciate you taking the time to appear before us, albeit virtually, to discuss several important topics before the subcommittee.

As you know, the DOC covers a broad range of issues, as our illustrious chair said, including the innovation and deployment of emerging technologies, foreign investment into American companies, reinforcement of our critical supply chains, and enhancement of our Nation's cybersecurity, the latter of which we know is taking on great importance every day.

So we are very fortunate to—I am very fortunate to be the ranking member on this committee.

Madam Secretary, we take the broad issue areas of your department very seriously, and we understand the benefits you pose to our economy. That is why I am hopeful you will uphold the mission to create conditions of economic growth and opportunity in our great Nation.

Your appearance before us could not come at a more crucial time. I think you know that. The COVID-19 pandemic has shown us the need to embrace the mission of the DOC. We must accelerate American leadership in traditional and emerging technologies. It is critical. And we must enhance job creation and strengthen U.S. economic and national security. Failure to do so will have devastating consequences, in my opinion. I believe this hearing is a step in the right direction, and I appreciate the chairperson holding this hearing.

There are many challenges that lay ahead of us while we work towards recovery from this pandemic. One of the hardest-hit sectors was our travel and tourism industry, and we must not overlook the work that must be done to restore this powerful engine of economic growth for communities across the Nation. And, of course, you know that Florida's number-one industry is tourism, but that is in so many of your States, and we appreciate that.

Last Congress, this subcommittee held a hearing on Brand USA, the extension of Brand USA. I was proud to introduce this legislation with my good friend Peter Welch and to lead the effort to get it enacted as part of the Further Consolidated Appropriations Act. While it extended the Brand USA program through 2027, no one anticipated what the pandemic would do to our country, nor the mechanics of this small but very critical program.

In preparation for this hearing, I remembered back to that day where each of us were able to boast about great businesses and tourist attractions in our district—the national parks, wineries for California, and, of course, Florida's beaches. Every single one of us can point to a special place in our districts as a great destination for tourists to come visit.

I just toured the Busch Gardens in Tampa, Florida, yesterday—an outstanding place. But they have 450 job openings—450 job openings at \$13 an hour. Again, these are level entry jobs with a \$400 signing bonus.

But over a year now, again, travel unfortunately has stopped, travel from foreign nations to the United States. This once-flour-

ishing market brought millions of international tourists to our districts, contributing billions of dollars to local economies and creating countless American jobs. Sadly, this virus has reduced spending in the industry by over 43 percent in 2020. And, during that span, international travel to the U.S. fell by over 80 percent. People are traveling within the U.S. but not internationally to the U.S.

My fear is Brand USA won't be able to lead our country through international travel recovery because of the absence of matching funds from the private sector. We must address this. For this reason, I am working on legislation to address this gap, along with my colleague Peter Welch. And I hope I can work with you, Madam Secretary, and my fellow colleagues here today on seeing that effort through.

I don't have much time, do I?

OK. I have a couple more pages, but I am going to yield back the balance of my time, Madam Chair. I appreciate it. I want to get off to a good start. Thank you.

[The statement of Mr. Bilirakis follows:]

PREPARED STATEMENT OF HON. GUS M. BILIRAKIS

Good morning Madam Chair, thank you for holding this hearing and welcome, Secretary Raimondo to the Energy and Commerce Committee. First and foremost, congratulations on your confirmation to the Department of Commerce (DOC). We appreciate you taking the time to appear before us, albeit virtually, to discuss several important topics before the subcommittee.

As you know, the DOC covers a broad range of issues including the innovation and deployment of emerging technologies, foreign investment into American companies, reinforcement of our critical supply chains, and enhancement of our Nation's cybersecurity, the latter of which we know is taking on greater importance every day.

Madam Secretary, we take the broad issue areas of your department very seriously and understand the benefits they pose to our economy. That's why I am hopeful you will uphold its mission—to create conditions for economic growth and opportunity in our great Nation.

Your appearance before us could not come at a more crucial time. The COVID-19 pandemic has shown us the need to embrace the mission of the DOC. We must accelerate American leadership in traditional and emerging technologies, enhance job creation, and strengthen U.S. economic and national security. Failure to do so will have devastating consequences.

I believe this hearing is a step in the right direction. There are many challenges that lay ahead of us while we work towards recovery from this pandemic. One of the hardest hit sectors was our travel and tourism industry, and we must not overlook the work that must be done to restore this powerful engine of economic growth for our communities across the nation.

Last Congress, this subcommittee held a hearing on the Brand USA Extension Act. I was proud to introduce this legislation with my good friend Peter Welch and to lead the effort to get it enacted as part of the Further Consolidated Appropriations Act. While it extended the Brand USA program through 2027, no one anticipated what the pandemic would do to our country, nor to the mechanics of this small but critical program.

In preparation for this hearing, I remembered back to that day where each of us were able to boast about great businesses and tourist attractions in our districts, the national parks, wineries, and of course Florida's beaches. Every single one of us can point to a special place in our districts as a great destination for tourists to come visit. But for over a year now, this travel has stopped.

This once flourishing market brought millions of international travelers to our districts, contributed billions of dollars to local economies, and created countless American jobs. Sadly, this virus has reduced spending in the industry by over 43% in 2020 and during that span international travel to the U.S. fell by over 80%.

My fear is Brand USA won't be able to lead our country through international travel recovery because of the absence of matching funds from the private sector. For this reason, I am working on legislation to address this gap, and hope and I

can work with you Madam Secretary and my fellow colleagues here today on seeing that effort through.

While the pandemic paused travel, it did lead to a surge in traffic on ecommerce, which provided essential goods and services to seniors, those with disabilities, and underserved communities. This showed the ingenuity and adaptability of the American people to overcome adversity. However, we must work to ensure this space is not a venue for bad actors to take advantage of our constituents. I do think there should be safeguards in these marketplaces to ensure consumers are protected by best practices. I know this is an issue you are passionate about, Madam Chair, and I look forward to working with you to identify possible solutions.

As I said before, there are many challenges ahead of us as we start to recover from the COVID-19 pandemic. I am hopeful this hearing serves to move us forward in addressing these challenges and growing our great economy together.

I look forward to hearing the Secretary's testimony, and I yield back.

Ms. SCHAKOWSKY. Well, thank you so much. And I remember that day when it was one advertisement after another for our States and our districts and we were so proud——

Mr. BILIRAKIS. Yes, that was great. I loved it. That was a wonderful day.

Ms. SCHAKOWSKY. That was great.

The gentleman yields back.

And now the Chair recognizes Mr. Pallone, the chair of the full committee, for 5 minutes for his opening statement.

OPENING STATEMENT OF HON. FRANK PALLONE, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. PALLONE. Thank you, Madam Chair.

And thank you, Secretary Raimondo, for testifying today. I am a big fan of yours, as I think you may know.

But Gus made me think about the fact the tourism economy—because, you know, I am at the Jersey shore. That is part of my district. And, of course, Gus and Kathy Castor need to know that all the Floridians are back here. The snowbirds have returned, and it is like you can barely move this past weekend in New Jersey at the shore. It is unbelievable. But I am not suggesting we don't need to do more for our tourism economy.

But I also have to thank the Secretary because, you know, I can't help but think of you as the Governor today, because—as you see, I have my thing that says I voted—today is the gubernatorial primary and the legislative primary in New Jersey. So I am thinking of your term as Governor and the similarities between Rhode Island and New Jersey, Rhode Island being the Ocean State—you know, a high-density population but a lot of tourism and recreational areas along the shore. So I am thinking about your State and my State and all those snowbirds that are back from Florida as well.

Anyway, the Department of Commerce has one overarching goal, and that is to help the American economy grow. In order to meet that goal, we must ensure that the U.S. has a vibrant and thriving industrial base, a base capable of developing the technologies and manufacturing the products essential for economic development and prosperity, advanced technologies and products like next-generation artificial intelligence, cutting-edge telecommunications, and advanced manufacturing equipment.

But America's manufacturing base, as we know, faces steady headwinds. Over the past few decades, multinational corporations, favoring their short-term financial interests, have adopted the business strategy of offshoring, sending operations and jobs overseas. And these actions have severely eroded America's capacity to produce, with more than 5 million manufacturing jobs lost since 2000.

As a result, the U.S. now relies on production in other countries for many of our necessities. And this steady erosion of America's productive capacity threatens our Nation's economic vitality, international competitiveness, and resilience to economic shocks and national emergencies.

And the lack of domestic equipment manufacturers results in telecommunication providers buying suspect equipment from companies like Huawei, undermining communication network security. A major global shortage of semiconductors has forced some manufacturers of autos and consumer electronics to idle or delay production, harming our economic recovery. And the Department of Defense has warned that the decline in domestic manufacturing capacity and capability could result in a growing and permanent national security deficit.

So, while the U.S. manufacturing capacity has waned, our economic competitors' capacity is on the rise. In 2010, China surpassed the U.S. as the world's largest manufacturing country. The United States must restore its capacity to produce critical products essential to our economic welfare and national security. We need a bold, transformative vision for revitalizing American manufacturing and shoring up our supply chain.

So I was so pleased that the Biden administration, Madam Secretary, has released the American Jobs Plan and his fiscal '22 budget, which included a comprehensive set of policies to restore America's industrial power.

The administration is proposing \$300 billion for investments to retool and revitalize American manufacturing, \$50 billion to improve the resilience and capacity of critical supply chains, and \$50 billion to support research, development, and production of semiconductors.

And I am also happy to see the administration announced actions today that it plans to take to address vulnerabilities in critical product supply chains.

So, with the American Jobs Plan, the U.S. will harness innovation, strengthen the industrial base, and invest in the American worker. It will help ensure our economic success, strengthen our national security, and improve our preparedness for the next national emergency. So it is time to reinvest and refocus on U.S. manufacturing, and that is a critical component of the American Jobs Plan.

Finally, the Commerce Department is key to advancing good telecommunications policy. At the end of last year, I worked on a bipartisan basis to pass critical broadband provisions as part of the final omnibus, and that legislation established a \$1 billion grant program at the National Telecommunications and Information Administration, NTIA, to support broadband connectivity on Tribal lands. It included rural broadband grants and broadband access at

minority-serving institutions. It established an office in NTIA to coordinate and ensure the efficiency of broadband support across the Federal Government.

So we look forward to working with you, Secretary Raimondo, on creating these policies and look forward to your testimony today. I know, based on your experience as Governor and your work in the private sector, that you really can make a difference, and that is why it is so great to see you. Thank you again.

And thank you, Madam Chair. I yield back.

[The statement of Mr. Pallone follows:]

PREPARED STATEMENT OF HON. FRANK PALLONE, JR.

Thank you, Secretary Raimondo, for testifying today.

The Department of Commerce has one overarching goal: help the American economy grow. In order to meet that goal, we must ensure that the United States has a vibrant and thriving industrial base. A base capable of developing the technologies and manufacturing the products essential for economic development and prosperity in the 21st century. Advanced technologies and products like next-generation artificial intelligence, cutting-edge telecommunications, and advanced manufacturing equipment.

But America's manufacturing base faces steady headwinds. Over the past few decades, multinational corporations favoring their short-term financial interests have adopted the business strategy of offshoring, sending operations and jobs overseas. These actions have severely eroded America's capacity to produce, with more than 5 million manufacturing jobs lost since 2000.

As a result, the United States now relies on production in other countries for many of our necessities: consumer electronics, telecommunications equipment, pharmaceuticals, computer chips, and strategic minerals and materials.

This steady erosion of America's productive capacity threatens our Nation's economic vitality, international competitiveness, and resilience to economic shocks and national emergencies. The lack of domestic equipment manufacturers resulted in telecommunication providers buying suspect equipment from companies like Huawei, thereby undermining communications network security. A major global shortage of semiconductors has forced some manufacturers of automobiles and consumer electronics to idle or delay production, harming our economic recovery. The Department of Defense has warned that the decline in domestic manufacturing capacity and capability could result in a growing and permanent national security deficit.

And while the U.S. manufacturing capacity has waned, our economic competitors' capacity is on the rise. In 2010, China surpassed the United States as the world's largest manufacturing country. And U.S. manufacturing output is growing slower than the output of South Korea, Germany, and Mexico.

The United States must restore its capacity to produce critical products essential to our economic welfare and national security.

We need a bold, transformative vision for revitalizing American manufacturing and shoring up our supply chains.

That's why I am so pleased that the Biden administration has released the American Jobs Plan and its Fiscal Year 2022 budget, which include a comprehensive set of policies to restore America's industrial power. The Biden administration is proposing \$300 billion for investments to retool and revitalize American manufacturing, \$50 billion to improve the resilience of capacity of critical supply chains, and \$50 billion to support research, development, and production of semiconductors. And I'm also happy to see the administration announce actions today that it plans to take to address vulnerabilities in critical product supply chains.

With the American Jobs Plan, the United States will harness innovation, strengthen the industrial base, and invest in the American worker. It will help ensure our economic success, strengthen our national security, and improve our preparedness for the next national emergency.

It's time to reinvest and refocus on U.S. manufacturing and that's a critical component of the American Jobs Plan. Manufacturing is the piece of the puzzle that transforms research and development into growth of jobs and wages across the entire U.S. economy.

Finally, the Commerce Department is key to advancing good telecommunication policy. At the end of last year, I worked on a bipartisan basis to pass critical

broadband provisions as part of the final omnibus appropriations package. The final legislation established a \$1 billion grant program at the National Telecommunications and Information Administration (NTIA) to support broadband connectivity on Tribal lands. It also included a \$300 million rural broadband grant program and a \$285 million grant program for broadband access at minority-serving institutions. And it established an office in NTIA to coordinate and ensure the efficiency of broadband support programs across the Federal Government. I am pleased to see the Department's recent announcement regarding the Tribal grant program and believe implementation of these programs will have a meaningful impact on the lives of all Americans.

I look forward to working with you, Secretary Raimondo, on enacting these policies and look forward to your testimony today.

Mr. PALLONE. Did you guys hear me that I yielded back?

Ms. SCHAKOWSKY. I am so sorry. I did it again.

Mr. PALLONE. OK.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize Mrs. Rodgers, ranking member of the full committee, for her 5 minutes.

**OPENING STATEMENT OF HON. CATHY McMORRIS RODGERS,
A REPRESENTATIVE IN CONGRESS FROM THE STATE OF
WASHINGTON**

Mrs. RODGERS. Good morning, everyone.

We, as Republicans, believe it is time to return to the committee room for hearings and markups. According to the CDC and the Attending Physician's Office, as we have seen implemented by the Senate, it is possible to do our work and it is so important that we do our work in a safe and responsible way in the committee room.

As amazing as this technology is, it is only a partial substitute to being together in person. COVID has impressed upon us all the importance of human interaction, human connection in our lives, including legislating on behalf of the people that we represent. I am deeply concerned about the partisanship and the polarization of this committee and the House due to continued lockdowns.

Today—I will turn now to the committee and the subcommittee work at hand. I want to join in welcoming Secretary Raimondo. Certainly, protecting American technological and economic leadership is critical as we focus on beating China and winning the future.

As the Republican lead on this committee, I was proud to work and to lead in a bipartisan way work on this subcommittee last Congress with the chair, Chair Schakowsky, as well as everyone on this committee, as we were focusing on issues, working with the Department of Commerce on new and emerging technologies that are transforming and will improve the quality of our lives. They have the potential to save lives and provide new job opportunities while allowing us to conquer some of the most complex problems that face us as a country—crushing COVID-19, surviving this pandemic.

You think about 3D printing that helped ramp up PPEs; autonomous vehicles that delivered medical supplies; and blockchain, how important it is in securing America's privacy in contact tracing. America also leveraged the power of supercomputing and AI to speed up the development of the vaccine.

Empowering you, Madam Secretary, to carry out these responsibilities to spur the development of these emerging technologies is

a shared commitment on this committee. Operation Warp Speed and the CARES Act, which was authorized by this committee, demonstrate the power of American ingenuity and innovation when we work together.

Our ingenuity and innovation sets America apart from the rest of the world, even our closest allies. The European Union, for example, has taken a different tack, as it seeks to regulate American tech companies at the same time, even as they acknowledge that recent intellectual property waivers for vaccines could harm innovation in critically needed vaccine development.

It is true that we must rein in Big Tech, especially when it comes to protecting our kids, and I will continue to fight for our children and hold these companies accountable. However, I fear that protectionist policies like the EU's Digital Markets Act and the Digital Services Act will not result in more consumer protection. The Congress and this administration have an obligation to push back on such protectionism, especially when U.S. companies are the target, and refocus our allies' misguided aggression on legitimate threats like China.

The U.S. can and should do more to protect people and ensure economic security. Recent attacks on Colonial Pipeline, SolarWinds, and JBS highlight the vulnerabilities to ransomware and other cyber threats. We need policies, like Representative Upton's recent Pipeline and LNG Facility Cybersecurity Preparedness Act, that strengthen the cybersecurity of our critical infrastructure against bad actors. The Senate is currently working to pass the U.S. leadership package to boost American competitiveness and beat China. This committee must also look at every available vehicle at our disposal to accomplish that goal.

It includes enacting a national privacy standard to strengthen data protection for Americans. This will signal to the world that we are serious about protecting our data and promoting cross-border data flows that are part of the Privacy Shield. If we do nothing, we leave open a void for our adversaries like China.

We also need to enact a national framework for autonomous vehicles to enable the Department's effort to secure strong AV supply chains here in the United States. If we fail to do so, our auto sector will face the same fate as our communication companies suffered.

So we need trusted vendors. This is highlighted right now with the CHIPS Act. Our semiconductor and microelectronic sector needs secured. We need more manufacturing in the United States of America.

We worked together last Congress on the American COMPETE Act. I was pleased and honored to work with Congressman Rush. Let's keep building on that. Let's keep making sure America leads and beats China and we continue to lift people out of poverty and provide more jobs here in the United States of America while improving our standard of living.

And, with that, I yield back.

[The statement of Mrs. Rodgers follows:]

PREPARED STATEMENT OF HON. CATHY McMORRIS RODGERS

Thank you, Madam Chair. And welcome Secretary Raimondo.

Promoting American technological and economic leadership is critical to beating China and winning the future. As the lead Republican on this subcommittee last Congress, I know how much can be accomplished when the Department of Commerce and our committee work together.

New and emerging technologies can transform and improve our quality of life. They have the potential to save lives, provide new job opportunities, all while allowing us to conquer some of our most complex problems like crushing COVID-19 and surviving this pandemic.

3D printing helped up ramp up PPE, AVs delivered medical supplies, and blockchain is securing Americans privacy in contact tracing.

America also leveraged the power of supercomputing and AI to speed up the development of the vaccine. Empowering you, Madam Secretary, to carry out these responsibilities to spur the development of these emerging technologies is a shared commitment on the committee.

Operation Warp Speed, and the CARES Act—which was authorized by this committee—demonstrate the power of American ingenuity and innovation when we work together. Our ingenuity and innovation sets America apart from the rest of the world, even our close allies.

The European Union, for example, is taking a different tack as it seeks to regulate our American tech companies. At the same time, even they acknowledge that recent intellectual property waivers for vaccines could harm innovation in critically needed vaccine development.

It is true that we must rein in Big Tech, especially when it comes to protecting our kids. I will continue to fight for our children and hold these companies accountable.

However, I fear that protectionist policies like the EU's Digital Markets Act and the Digital Services Act will not result in more consumer protection and innovation.

This Congress and this administration have an obligation to push back on such protectionism, especially when U.S. companies are the target, and refocus our allies' misguided aggression on legitimate threats, like China.

The U.S. can and should do more to protect people and ensure our economic security. Recent attacks on Colonial Pipelines, SolarWinds, and JBS highlight our vulnerabilities to ransomware and other cyber threats.

We need policies—like Rep. Upton's recent Pipeline and LNG Facility Cybersecurity Preparedness Act—that strengthen the cybersecurity of our critical infrastructure against bad actors. The Senate is currently working to pass a U.S. leadership package to boost American competitiveness and beat China.

This committee must also look at every available vehicle at our disposal to accomplish that goal. That includes enacting a national privacy standard to strengthen data protection for Americans.

This will signal to the world that we are serious about protecting our data and promoting cross-border data flows that were part of Privacy Shield. If we do nothing, we leave open a void for adversaries, like China, to manipulate outcomes.

We also need to enact a national framework for autonomous vehicles to enable the Department's efforts to secure strong AV supply chains here in the U.S. If we fail to do this our auto sector will face the same fate as our communications companies suffered with adversarial countries—like China propping up their own companies to dominate the network equipment marketplace and pushing out trusted vendors.

Doing this will require that we build on the committee's work to pass the CHIPS Act. Which secures our ability to set terms for the semiconductor and microelectronics sector...

And ensure access to a reliable supply chain for leading-edge chips for industries of the future.

Last Congress, I was proud to lead the American COMPETE Act with Congressman Rush, cosponsored by Members on both sides of the aisle, and enacted with the support of Chairman Pallone and Chair Schakowsky.

As artificial intelligence and other emerging technologies move beyond the lab phase, the written recommendations required by the American COMPETE Act can give our committee more insight on how to deploy these technologies and keep our supply chains secure.

Once again, thank you for being here. I look forward to working with you to accomplish our shared goals together. With that I yield back, Thank you.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And the Chair would now like to remind Members that, pursuant to committee rules, all Members' written opening statements will be placed into the record.

And now I want to welcome our witness for today, our only witness for today—and we thank her so much for being here—the Honorable Gina Raimondo, who, as we know, is the Secretary of the United States Department of Commerce.

We really do want to thank you so much for joining us today. We look forward to your testimony. And I now yield to you for an opening statement of 5 minutes.

**STATEMENT OF GINA M. RAIMONDO, SECRETARY,
DEPARTMENT OF COMMERCE**

Ms. RAIMONDO. Well, thank you so much, Chairwoman Schakowsky and Ranking Member Bilirakis and members of the subcommittee. Thank you all. Thank you for your service, thank you for your commitment to this important work, and thank you for such a warm welcome.

It is my absolute pleasure and honor to be here with you to talk about President Biden's fiscal year 2022 budget request for the U.S. Department of Commerce. And, as the Chair recognized, the breadth of Commerce is significant, similar to the breadth of your committee.

President Biden's request includes \$11.5 billion for the Department of Commerce, which is about a 29 percent increase above the 2021 enacted level.

And I am incredibly proud of the work the Department is doing. I am a relative newcomer here and have been so impressed with the career staff here at the Department. That said, we have to do more. As all of you have just said, we have to do more to build back better, improve manufacturing, get Americans back to work, and lay the foundation for shared growth and prosperity.

President Biden's budget request puts forward investments designed to do just that, and I am so looking forward to working with each and every one of you in the coming year on these important Commerce programs. I would like to mention just a few of the key initiatives.

Together, I would like to see us support American manufacturing by providing an additional \$125 million for the Manufacturing Extension Partnership, which will enable MEP to make the U.S. supply chain more resilient by identifying supply-chain gaps and increasing individual manufacturer resiliency.

Let's work together to spur research in technological innovation by providing \$916 million for scientific and technological research at NIST; to secure U.S. global leadership in advanced manufacturing by providing an additional \$150 million for the Manufacturing Innovation Institutes program, which will enable NIST to fund two additional Manufacturing USA Institutes, one of which will be dedicated to semiconductors; advance economic recovery in underserved communities by funding MBDA to expand opportunities for minority-owned businesses and, of course, help eliminate barriers for minority-owned firms; prioritize creating good jobs by revitalizing former energy communities by supporting the Economic Development Administration's locally driven projects in com-

munities across the Nation, including assistance to coal communities; invest in climate science and research by ensuring NOAA has the tools and equipment it needs to expand climate observation, weather forecasting, and research; ensure commercial operators have access to spectrum by providing NTIA with \$89 million, including new funding for applied research with the Federal advanced communication test sites; strengthen American competitiveness and security by ensuring Commerce's ITA, International Trade Administration, has staff and resources necessary to defend U.S. workers by addressing unfair foreign trade practices and barriers; enhancing cybersecurity by providing \$106.9 million for cybersecurity upgrades at the Department of Commerce and \$83.8 million for NIST cybersecurity and privacy research to continue to strengthen the security of our digital world and defeat cyber attacks and to support the Office of Internet Connectivity and Growth in the implementation in NTIA's broadband grant programs.

Within the President's budget, the American Jobs Plan proposes longer-term investments that complement the annual funding priorities that I just described. These investments will strengthen supply chains, and I would like to briefly note, as several of you just mentioned, that just this morning the White House released the results of our 100-day semiconductor supply-chain review. The report outlines actions the administration will take to support these businesses. And I hope, as you have said, that we can work together to quickly fund the CHIPS Act and move forward on this vital initiative—support American manufacturing, expand access to broadband, bolster regional economic development to make sure that all regions are included, increase research and development, and, very importantly, upskill our workforce.

So it is a lot to do. We will do it together. And I look forward to working with you in bringing back manufacturing and creating an economy that works for everybody by creating jobs and growth to support American communities, businesses, and workers today and in the decades to come.

So I am, again, honored to be here and happy to take your questions.

[The statement of Ms. Raimondo follows:]

**Statement of
Gina M. Raimondo**

**Secretary
U.S. Department of Commerce**

**Before the
House Committee on Energy and Commerce
Consumer Protection and Commerce Subcommittee**

“The Fiscal Year 2022 Department of Commerce Budget”

June 8, 2021

Chair Schakowsky, Ranking Member Bilirakis, and members of the Subcommittee, thank you for this opportunity to discuss President Biden’s Fiscal Year (FY) 2022 Budget Request for the U.S. Department of Commerce. The priorities included in this Budget Request build upon the legislation and investments Congress enacted last year, and I am grateful for your steadfast support.

As you know, the Department of Commerce is responsible for promoting job creation, supporting and overseeing international trade, and providing economic, environmental, and scientific information needed by businesses, citizens, and governments. The President’s FY 2022 Budget Request calls for \$11.5 billion in discretionary funding for the Department of Commerce, a 29% increase above the 2021 enacted level.

This funding will allow us to maintain existing programs and activities and make critical investments that will help reimagine and rebuild a new American economy that invests in the promise and potential of every American. The Budget Request also includes the American Jobs Plan—a once-in-a-generation investment in America that will create millions of good jobs, rebuild our country’s infrastructure, and position the United States to out-compete China.

The Biden Administration is hard at work delivering economic relief to millions of Americans who need it the most. I am proud of the work the Department is doing, but we know we must do more to help our nation build back better and lay the foundation for shared growth and prosperity for decades to come. Across the federal government, President Biden’s FY 2022 Budget makes historic new investments and reinvests in discretionary programs that are a foundation of American strength.

At the Department of Commerce, the Budget Request increases funding for programs that support American manufacturing, spur research and technological innovation, advance economic recovery in underserved communities, invest in climate science research and resiliency activities, improve weather and climate forecasting, and strengthen American competitiveness and security.

FY 2022 President's Budget Request

Support American Manufacturing

Manufacturing has long been the backbone of our country and we must strengthen our manufacturing to move America forward. To ensure robust resurgence of American manufacturing and increase the security and resilience of our supply chain, the FY 2022 Budget Request more than doubles funding for the Department's most effective manufacturing programs: Manufacturing Innovation Institutes (MIIs) and the Manufacturing Extension Partnership (MEP).

An MII is a public-private partnership of companies, academia, state and local governments, and federal agencies that co-invest in the development of world-leading technologies and capabilities. President Biden's Budget Request calls for an additional \$150 million for two new MIIs, one of which will help restore the United States as the global leader in the design and manufacture of semiconductors.

The request also calls for an additional \$125 million for MEP. The MEP National Network consists of 51 MEP Centers located in all 50 states and Puerto Rico. The additional \$125 million will support MEP efforts to make U.S. supply chains more resilient by: partnering with federal agencies and industry stakeholder to identify supply chain gaps; mapping critical manufacturing supply chains (in alignment with the President's Executive Order 14017, America's Supply Chains); implementing the supplier scouting responsibilities outlined in President's Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers; and, increasing individual manufacturer resiliency by addressing issues that preclude them from entering new supply chains.

The funding will also be used for workforce development through activities such as providing MEP Centers resources for upskilling a diverse workforce and assisting manufacturers with career development pathways that recruit and retain talent. Finally, the additional funds will enable MEP Centers to strengthen their core services and increase their technology demonstration capabilities.

Spur Research and Technological Innovation

Public investments in research and development lay the foundation for future breakthroughs that generate new businesses, jobs, and exportable goods. The President's Budget Request calls for \$916 million, an increase of \$128 million over the FY 2021 enacted level, to expand scientific and technological research at NIST. With this investment, NIST will spur research advances in climate-resilient building codes, computing, cybersecurity, artificial intelligence, quantum information science, biotechnology, and advanced manufacturing.

U.S. leadership in advanced communications requires commercial operators to have access to a full array of spectrum bands to share with federal agencies. The Budget provides the National Telecommunications and Information Administration, or NTIA, \$89.5 million, an increase of \$44 million above the FY 2021 enacted level. Of this increase, \$39 million is dedicated to

advanced communications research to support the development and deployment of broadband and 5G technologies, by identifying innovative approaches to spectrum sharing. This includes a \$26.7 million investment in applied research with the Federal Advanced Communications Test Site (FACTS) at NTIA's Table Mountain field site in Boulder, Colorado. The Budget also proposes an increase of \$10 million to broadband programs that will support the President's goal of expanding broadband access, including support for the Office of Internet Connectivity and Growth and the implementation of NTIA's broadband grant programs.

Enhance Cybersecurity

Recent cybersecurity incidents such as SolarWinds, Microsoft Exchange, Colonial Pipeline, and last week's cyberattack on JBS, the world's largest meat producer, are sobering reminders that U.S. public and private sector entities increasingly face sophisticated malicious cyber activity from both nation-state actors and cyber criminals. The President's FY 2022 Budget Request calls for funding to enable the Department of Commerce to upgrade its own cybersecurity posture and support research and tools to enable the private sector to do the same. Specifically, this President's Budget includes \$106.9 million for cybersecurity upgrades at the Department of Commerce to address threats posed by both state and non-state actors. The funding will enable the Department to employ a "whole of Commerce" approach to mature cybersecurity practices. It also calls for \$83.8 million for NIST's Cybersecurity and Privacy Research to continue to strengthen the security of our digital world through a portfolio that bridges foundational and applied cybersecurity research, and through the development of publicly available frameworks, standards, and technical guidance documents.

Advance Economic Recovery in Underserved Communities

Every American should have an equal chance to pursue their potential. Yet, for far too many Americans, this has never been within reach. The President's 2022 Budget Request calls for \$70 million for MBDA to expand opportunities for minority-owned businesses and help eliminate barriers for minority-owned firms. The request also will elevate MBDA's position within the Department of Commerce and establish an Assistant Secretary for MBDA.

The President's Budget Request also prioritizes creating good jobs by revitalizing former energy communities. To spur economic revitalization and support energy workers, the request includes \$84 million, an increase of \$50 million over the FY 2021 enacted level, for EDA's Assistance to Coal Communities Program. These funds will help ensure that communities most impacted by the transition to clean energy are not left behind.

The President's Budget Request includes \$300 million for EDA to support locally driven economic development projects in communities across the nation. These investments will enable local communities to establish a foundation for sustainable job growth and build durable regional economies by funding projects that advance equity, support workforce education and skills training, enable business expansion and technology updates, support growth in exports and foreign direct investment, and address the climate crisis.

Investments in Climate Science and Research

Climate change is one of the greatest challenges of our time. Yet it is also an opportunity for economic growth and innovation. In the President's Budget Request, the Administration proposes a whole of government approach to address this challenge and harness this opportunity.

NOAA climate science provides the data, tools, and information that are the foundation for both efforts. The President's Budget Request therefore includes \$855 million for NOAA to expand climate observation, forecasting, and research so that NOAA can provide better data, information and tools to federal agencies, states, Tribes, communities, and businesses across America to enable smart policy and decision-making. This investment will also improve community and coastal resilience by investing in modern infrastructure and funding competitive grants to help protect communities from the costly economic and environmental impacts of severe weather events and climate change. The increased resources will also support an expanded and improved drought early warning system.

Improve Weather and Climate Forecasting

Families, businesses, and state and local governments rely on NOAA's weather satellites and forecasts every day. When severe weather strikes, these forecasts can literally mean the difference between life and death in impacted communities. The President's Budget Request invests \$2 billion, approximately \$500 million more than the FY 2021 enacted level, in the next generation of satellites.

With these additional resources, NOAA will be able to enhance its world-leading satellite observing systems by incorporating a diverse array of new technologies to improve data for weather and climate forecasts and provide critical information to the public. This data will allow for more informed decision-making that protects life and property, safeguards the economy, and supports the fight against climate change. NOAA's National Weather Service is funded at \$1.3 billion, which is \$102.7 million above the Enacted level. This funding supports 122 Weather Forecast Offices, 13 River Forecast Centers, 18 Weather Service Offices, and 9 National Centers across the United States.

Strengthen American Competitiveness and Security

American businesses and workers can compete if we all play by the same rules. The FY 2022 Budget requests \$559 million for the International Trade Administration to ensure it has the staff and resources it needs to defend U.S. workers by addressing unfair foreign trade practices and barriers, strengthening enforcement of U.S. trade laws, and enhancing oversight of foreign government compliance with trade agreements. The FY 2022 Budget Request for ITA includes \$8 million, an increase of \$5 million above the Enacted level, to sustain ITA's role in analyzing the growing number of exclusion requests from Section 232 duties on imported steel and aluminum products. ITA's analysis supports the Bureau of Industry and Security's (BIS) Section 232 exclusion request determination process.

The President's Budget also requests \$142 million for the BIS. This funding will enable BIS to analyze the growing number of Section 232 exclusion requests on imported steel and aluminum products, support Committee on Foreign Investment in the United States (CFIUS) related activities, analyze export control and Entity List proposals, conduct enforcement related actions, and implement export controls. Within the \$142 million, the Budget Request proposes \$2.1 million for BIS to address the Securing the Information and Communication Technology and Services (ICTS) Supply Chain Executive Order (EO 13873). EO 13873 seeks to secure and protect our national security, including economic strength and security, and public health and safety. Across the Department the President's Budget requests \$11.9 million: \$2.1 million at BIS, \$4 million at NTIA, and \$5.8 million within Departmental Management to fund efforts related to EO 13873.

Support for Travel and Tourism Recovery

The FY 2022 Budget Request also provides \$3.1 million above the enacted level for the Survey of International Air Travelers (SIAT), for a total program level of \$7.9 million. Results from this improved survey will enable the federal government and other stakeholders to design economic programs that will help the travel and tourism industry recover from the economic impacts of the COVID-19 pandemic. Further, the improved survey will allow ITA to collect data from non-traditional and non-urban markets, strengthening the federal government's ability to provide travel and tourism industry market intelligence to smaller states and destinations.

American Jobs Plan

Within the FY 2022 Budget Request, the American Jobs Plan proposes once-in-a-generation investments that complement the annual funding priorities detailed above. These investments will strengthen supply chains, support American manufacturing, expand access to broadband, increase research and development, and upskill our workforce.

We need to strengthen our supply chains so that we can make more critical goods in America and put more people to work rather than outsourcing. The American Jobs Plan calls for \$50 billion to support production of critical goods and create a new office at the Department of Commerce that will monitor domestic industrial capacity. This office will incentivize manufacturers to maintain a robust domestic supply chain and support manufacturers in vulnerable supply chains, such those for the automotive, machinery, energy, and aerospace industries.

One critical industry that demands our immediate attention is the semiconductor industry. Semiconductors are the building blocks of our future economy; yet, today, we are experiencing a global chip shortage that is hurting businesses in every sector of our economy, including the auto industry. The American Jobs Plan supports the \$50 billion investment in semiconductor manufacturing and research, as called for by Congress in the bipartisan CHIPS Act. The Senate has already taken steps to fund the CHIPS Act through consideration of the U.S. Innovation and Competition Act of 2021, and I hope Congress will finalize this funding as soon as possible. This funding will strengthen and secure our domestic semiconductor supply chain and create tens of thousands of middle-class jobs.

Our nation is also falling behind its biggest competitors with regard to basic investments in research and development, manufacturing, and training. To combat this, the American Jobs Plan proposes funding NIST's critical programs for years to come. Specifically, the American Jobs Plan would provide \$14 billion to NIST in addition to the amount requested for it in the President's FY 2022 discretionary budget. NIST will use \$10 billion of this \$14 billion to quadruple funding for MEP and expand Manufacturing USA, finally scaling support for manufacturers to the level we need to be competitive globally. NIST will use the remaining \$4 billion to invest in Scientific and Technical Research and Services as part of the Make it in All of America strategy to spur innovation and productivity across the country.

The American Jobs Plan also seeks to make a major investment in efforts to ensure that minority and underserved communities have the access to capital and resources required to sustain good jobs and economic growth. To further invest in these communities, the American Jobs Plan would provide \$1 billion for the Minority Business Development Agency (MBDA) to support small business access to credit, venture capital, and research and development funding. Ensuring equitable access to capital is essential to supporting the growth of entrepreneurship in communities of color and underserved communities throughout the country.

We also need transformational investments in broadband to ensure that all Americans finally have access to affordable, reliable, high-speed Internet service. During the pandemic we have seen that high-speed broadband service is not a luxury, but a necessity for jobs, education, and healthcare. Yet, by one definition, more than 30 million Americans live in areas where there is no broadband infrastructure that provides minimally acceptable speeds. Due to systemic marginalization, one-quarter of Americans who are disproportionately people of color, low-income, older, disabled, or residents of rural communities lack access to high-speed broadband service. And, in part because the United States has some of the highest broadband prices among OECD countries, millions of Americans can't use broadband internet even if the infrastructure exists where they live. The American Jobs Plan proposes a historic investment of \$100 billion to bring broadband service to every American. This investment would allow more people to more fully participate in the modern economy and access job opportunities and training.

The American Jobs Plan also calls for bold investments in our workforce. It will spur targeted, sustainable, economic development in places like the Appalachian region that have been affected by changes in energy production, and communities in the Midwest that have been impacted by the manufacturing declines. As part of this effort, the American Jobs Plan proposes \$10 billion for the Economic Development Administration (EDA) to establish a Regional Innovation Hubs initiative that will enable United States leadership in key technology focus areas and support regional economic development that diffuses innovation throughout the country.

Furthermore, it will expand job training opportunities across the nation. The American Jobs Plan makes the investments necessary to ensure that we will be there to provide high-quality, demand-driven, affordable job training to any American seeking opportunities to increase the knowledge and training they bring to a job.

Finally, the American Jobs Plan will help us maximize the resilience of land and water resources to protect communities and the environment. President Biden's plan will protect and, where

necessary, restore nature-based infrastructure – our lands, forests, wetlands, watersheds, and coastal and ocean resources. Families and businesses throughout the United States rely on this infrastructure for their lives and livelihoods.

Under the President's leadership, America is getting back on track. We have begun turning the tide on the pandemic. Our economy is growing and creating jobs. But we cannot simply return to the way things were before the pandemic and risk losing our gains. To build a more prosperous and secure future, Congress must invest in domestic manufacturing and America's competitiveness to create good paying jobs that will ensure the United States continues to lead the 21st century global economy. The President's FY 2022 Budget Request, including the American Jobs Plan, puts forward investments that do just that. Investments that will enable us to build back better.

I look forward to working with you to create an economy that works for all— now and in the future. I am now happy to take your questions.

Ms. SCHAKOWSKY. Well, thank you very much for that.

I would encourage Members to read your written testimony, which goes into even more detail about the highlights that you hit in a brief 5 minutes. I know I really appreciated seeing all the things that your department is really focusing on.

So we have now concluded the witness opening statement, and at this time we will move to Member questions. Each Member will have 5 minutes to ask a question of our witness, and I will start with recognizing myself for 5 minutes.

And, Secretary, you mentioned the diversity in our country. The American Jobs Plan not only presents an opportunity to revive our industrial base, but it also presents an opportunity to improve racial and gender equity. How would the American Jobs Plan make our manufacturing sector more inclusive and equitable?

Ms. RAIMONDO. Thank you for that incredibly important question.

So it is important to think about equity in terms of women, people of color, and regional differences. And the American Jobs Plan includes \$20 billion to invest in regional innovation hubs and a Community Revitalization Fund. At least 10 regional hubs which are intended to leverage private capital will be rooted in communities, both rural and urban. And we will prioritize making sure that we have innovation in communities of color and rural communities and with an emphasis on small and medium-size enterprises and women-owned enterprises, who, as you know, often lack access to capital and the technical tools that they need.

So there are substantial investments that the President is proposing in manufacturing, and I will commit to you that, as we execute on those plans, we will do it with an eye towards equity to make sure that, you know, everybody is included.

Ms. SCHAKOWSKY. Excellent.

Also, Secretary Raimondo, how would the American Jobs Plan account for the many regional differences in manufacturing to ensure that areas of the country—all areas—benefit from these vital programs?

Ms. RAIMONDO. Thank you.

So I will say that, as a former Governor, I know how important it is to engage with State and local government leaders and also Tribal leaders, and that is what we will be doing.

So, in order to account for, as you say, regional differences, we will do a tremendous amount of stakeholder engagement with mayors, with Governors, frankly with you and members of your committee who are rooted in your communities, with local business leaders, to make sure that we take into account the regional differences.

And, as I said, you know, the investments that the President is calling for, the regional innovation hubs and the Community Revitalization Fund, are all intended to make sure that this economic development is broadly distributed across America, in rural communities, in Tribal communities, and urban communities.

Ms. SCHAKOWSKY. Great. I appreciate that, and certainly our State and local officials will appreciate that as well.

How would investment in our manufacturing base help us meet our national goals like reducing carbon emissions and supporting American workers?

Ms. RAIMONDO. Yes. So thank you for that question.

I would say in a number of ways, but perhaps the most important is by encouraging investment in new technologies that reduce carbon emissions. And this is something that Secretary Granholm is very passionate about.

You know, in order to meet the climate goal that we need to, we will need technology and manufacturing technology that isn't even invented today. So it is the green technologies of tomorrow—electric vehicles, new battery storage, all kinds of other technology—that needs to be invented and manufactured in America in order for us to, you know, meet the needs of the climate crisis.

Ms. SCHAKOWSKY. Thank you.

What are the consequences if Congress doesn't pass legislation making significant investments in our industrial base? And can we expect our domestic manufacturing capacity to continue to decline or grow?

Ms. RAIMONDO. Yes. I believe and testify to you today that the consequences will be devastating.

We have allowed our manufacturing base to erode. As one of the Members said, because we were in search of cheap labor, which resided overseas, we have watched our manufacturing base wither. We have lost 25 percent of our small and medium-size manufacturers in the past couple of decades.

By the way, I lived that, you know, in Rhode Island. That was the story of Rhode Island. When I grew up in Rhode Island, everyone worked in a manufacturing operation, including my dad until he lost his job when all the jobs went overseas, in his case to China.

It is time to bring them back, because not only is it millions of jobs for American people, but there is a link between national security and economic security. And if we are totally dependent for critical minerals, semiconductors, batteries, technology, on other countries, that is not only an economic problem, it is a national security problem.

So I—

Ms. SCHAKOWSKY. I am going to have to cut you off because I have run out of time, but I—

Ms. RAIMONDO. Sure.

Ms. SCHAKOWSKY [continuing]. Think we get the point that this is urgent. So thank you very, very much.

And now I recognize the ranking member of the subcommittee for 5 minutes for his questions.

I apologize, Gus, for going over. Go ahead.

Mr. BILIRAKIS. No problem at all. Thank you, Madam Chair. I appreciate it.

Madam Secretary, thank you again for being here.

As mentioned in my opening statement, the travel and tourism industry in the United States needs to—they need help to recover from the pandemic, and I believe Brand USA has a significant role to play. It is a program that does not cost a single taxpayer dollar and provides a 25-to-1 return on investment. But the funding

mechanism relies on inbound international travel being accessible across our borders. I think you probably know that.

The questions are: Will you commit to working with myself and this committee as we look towards a legislative fix that will address the absence of matching contributions from the private sector to Brand USA? I think that is vital. What role can the Department play in assisting with the recovery of Brand USA?

Ms. RAIMONDO. Yes. Thank you for the question. My answer is, yes, I would look forward to working with you to do that.

As you say, travel and tourism has been devastated, and Brand USA is an incredibly important initiative, which, you know, as you say, relies on the revenue coming from travel and tourism. So I would look forward to working with you and Members of the House and Senate to figure out how we get it funded, since the traditional funding stream has been dried up.

Mr. BILIRAKIS. Thank you very much.

And a followup: What additional economic programs are currently in place at the DOC to assist in revamping local businesses and economies struggling from the lack of travel and tourism, like those in my district?

Ms. RAIMONDO. So we are about—Congress appropriated \$750 million to the EDA, to Commerce, specifically for travel and tourism. And, very soon, we are about to put the notice of funding opportunities out for that money. And, at that time, every, you know, State will have the opportunity to receive some of that money. It could be used for marketing, it could be used for job training, it could be—again, it will be very flexible. So we will work with you and your community to make sure that you can take the benefit of that.

Mr. BILIRAKIS. So that could be marketing overseas as well. Is that correct?

Ms. RAIMONDO. Yes. It is going to be very flexible.

Mr. BILIRAKIS. OK. Thank you.

Next question: As you mention in your testimony, the U.S. has been hit with several cyber attacks over the past year, and it seems these attacks are becoming more frequent and with higher stakes, unfortunately. The attacks result in significant damage to our Nation. For example, after the recent ransomware attacks on JBS meatpacking company, Americans are seeing higher prices for meat.

Up until now, cybersecurity was not a common household topic when discussing areas the U.S. should focus on. I think it is imperative we alter this narrative and quickly ensure we mitigate further attacks on our country.

Can you elaborate on any guidance, Madam Secretary, DOC has issued within the Department or to sectors of our economy on best practices to increase the protections against cyber attacks or to train individuals to detect suspicious activity?

We had some issues in my district, in the city of Oldsmar, with regard to the water supply. There was a cyber attack.

So if you could give us some information with regard to that, we would really appreciate it. Thank you.

Ms. RAIMONDO. Yes. So, first of all, I couldn't agree more.

Second of all, the President is extremely focused on this. I have been doing convenings with the private sector in order to urge them to take the threat of ransomware seriously and modernize their cyber defenses, including implementing the practices in the President's Executive order on improving cybersecurity. His Executive order outlines five high-priority cybersecurity initiatives that, if implemented, will reduce the risk of cyber attacks.

The good news is some of these are quite simple, like two-factor authentication or proper backups. And so we really need to push the private sector to do their fair share, take it more seriously, and take these five steps.

Mr. BILIRAKIS. Well, thank you very much, Madam Chair, and I yield back.

Thank you, Madam Secretary. Appreciate it.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize the chairman of the full committee, Frank Pallone, for 5 minutes of questions.

Mr. PALLONE. Thank you, Chairwoman Schakowsky.

Madam Secretary, the American Jobs Plan calls on Congress to provide \$50 billion to create a new office at the Department of Commerce dedicated to monitoring domestic industrial capacity and funding investments to support production of critical goods.

Madam Secretary, how would such an office improve the resilience of supply chains and revitalize manufacturing in the U.S., in your opinion?

Ms. RAIMONDO. Thank you. By the way, when you were comparing Rhode Island to New Jersey, I thought you were also going to say that we both had a lot of Italian Americans in our States.

Mr. PALLONE. I didn't mention that, but it is certainly true. We always compete for the largest number.

Ms. RAIMONDO. Exactly.

So, in any event, I think, first of all, it will allow us to monitor supply chains. As I said earlier, we have seen a slow erosion over time of the semiconductor supply chain, and so we can't ever let that happen again. We have to monitor it.

Secondly, we need to invest to build new manufacturing operations in America so we can make semiconductors again in America. We are at a very dangerous spot with respect to that, and I hope that the Congress funds the CHIPS Act at the full \$52 billion so we can get to work doing that.

Mr. PALLONE. Well, let me ask you, is there any Federal agency charged with monitoring the resilience or diversity, security, or strength of supply chains that are critical to our economic welfare at this point, at this time?

Ms. RAIMONDO. So the President—in fact, the President has tasked us to work in an interagency fashion, so there is no one agency that does it. In fact, just today, as somebody mentioned, we put out the Supply Chain Disruption Task Force. So Commerce is responsible for lumber, steel, semiconductors, Department of Energy is responsible for critical minerals, HHS for pharmaceuticals. The way our administration is handling it is that, where the expertise resides, that is the department that is responsible for that piece of the supply chain.

Mr. PALLONE. But it makes sense to have a comprehensive, governmentwide process to designate and monitor supply-chain vulnerabilities, you know, to make sure that we are better prepared for economic shocks or to respond to emergencies. And would you think that the Department of Commerce maybe should spearhead that kind of a governmentwide process?

Ms. RAIMONDO. It is certainly something that I would consider and, you know, take to the administration. As I said, at this point, the President has directed us to take a governmentwide response, you know, led primarily now from the NSC and the NEC. But, you know, I take your point, and I will think some more about it.

Mr. PALLONE. All right.

And then, you know, the last thing I wanted to ask is, we know that supply-chain monitoring alone isn't going to ensure that these vulnerabilities are addressed. And I do think that robust Federal funding and support is key to improving the resilience of the supply chain and closing these vulnerabilities and revitalizing manufacturing in the U.S.

So I just wanted to ask you if you agree with that. I think you do, but let me ask you anyway, if you do agree.

Ms. RAIMONDO. I strongly agree.

And, look, China alone, one other country, has said that they are committed to spending \$200 billion on their semiconductor supply chain in the next 5 years. We are proposing 50. I think we need every bit of it and then some.

Mr. PALLONE. Well, can I just ask, you know, what authorities do you think the Department of Commerce needs if it is going to design and administer a program providing financial assistance to improve resilience of supply chains? I know you have talked about something, but do you think you need more authority to do that?

Ms. RAIMONDO. So what is laid out in the Endless Frontier and the CHIPS Act, I think, is sufficient. You know, the President has put that forth. It would allow us to do investments, grants, research and development initiatives, stockpiling. So I think that what is in that proposal would be sufficient.

Mr. PALLONE. All right. Well, thank you so much. I know that you and the administration have put forward some very good ideas in this respect, and I certainly think it is important.

You know, we went on a couple trips with Congressman Walden when he was the chair or the ranking member, and we went to these Scandinavian countries like Iceland and Norway where they actually had a ministry of manufacturing, you know?

Ms. RAIMONDO. Uh-huh.

Mr. PALLONE. So, I mean, it is important that we and the Department of Commerce address this. And thank you again.

Thank you, Madam Chair.

Ms. RAIMONDO. Thank you.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize Mrs. Rodgers, the full committee ranking member, for 5 minutes.

Mrs. RODGERS. Thank you. Thank you, Madam Chair.

And, Madam Secretary, I appreciate you being in front of this committee.

I believe that one of the most important issues for us to address is a privacy law for the United States of America, a national privacy standard. And that has only been underscored with COVID. It is so important that our businesses have clear guidelines on how to manage the data that they are collecting from their customers, and this would add an added layer of security for all that are involved.

You mentioned in your testimony expanding opportunities for minority-owned businesses. And I agree with you. We must ensure that every American has equal opportunity to succeed.

I wanted to ask you, when it comes to privacy, if the Department of Commerce has taken a position on a national privacy standard. And how important do you think it is to ensure privacy legislation does not set up barriers to preventing the startups and small-business growth, especially among minority-owned businesses?

Ms. RAIMONDO. Yes. Thank you for the question.

So I would be very interested to work with you on privacy legislation. I think it is vital, particularly for small businesses.

At the moment, I am deeply engaged in negotiating a successor agreement to the Privacy Shield—

Mrs. RODGERS. Very good.

Ms. RAIMONDO [continuing]. Which is very important for all the reasons you have said. But even if we are successful in doing that, that is, you know, temporary and not as sustainable as privacy legislation.

And so, in any event, I think that you are right to identify it, and I would look forward to working with you on it.

Mrs. RODGERS. Great. And I appreciate you bringing up the U.S.-EU Privacy Shield, because that does need to be addressed, and the Department of—the EU's Court of Justice ruling on the adequacy of protections.

I was going to ask you about that too, just what updates you can give us on the negotiations, since it has been a year since the Court of Justice ruled. And I wanted to ask if you were planning to bring it up next week with your EU counterparts when you travel.

Ms. RAIMONDO. I am. I am. I have, you know, only been at this a couple of months, but I personally have been very engaged. And, you know, it is a challenge. We are working hard. I am optimistic that we will be able to come to an agreement. We share the same values with Europe. And, quite frankly, it is in our joint best interests that we could get something done. So we are going to stay at the table. And I do plan to have meetings with my counterparts next week in Brussels on this topic.

Mrs. RODGERS. Well, I look forward to hearing how that goes.

As I mentioned in my opening statement, last year, Congress, we worked, bipartisan, on this subcommittee to pass the American COMPETE Act. I was really proud to work with Congressman Rush in leading that legislation. And it passed the House, unanimous, and it was ultimately signed into law. And it is really focused on emerging tech, whether it is artificial intelligence or some of the other emerging technologies.

I just wanted to ask if you would commit and continue to look at the recommendations that were put forward in that legislation

so that the United States will lead in commercializing this technology.

And as the EU looks to set artificial-intelligence policy, can you give us a sense as to how these policies are going to impact U.S. leadership?

And you mentioned in your written statement that American businesses and workers can compete if we all play by the same rules. Do you believe that China is playing by the same rules when it comes to emerging tech?

Ms. RAIMONDO. Yes. OK. So a few things.

No, the answer to that last question, no. Which is all the more reason that we need to work with our allies that have like-minded values to set tech standards, particularly in the areas I know you are interested in: AI, quantum computing, blockchain.

You know, we are working on the studies required under the COMPETE Act. I think they are incredibly important. And we need to set standards. We cannot let China that doesn't share our values set the standards in these critical new emerging technologies.

Mrs. RODGERS. Can you give us any insights as to how you view the EU's artificial-intelligence policy and how it might impact our leadership?

Ms. RAIMONDO. In more detail, I would have get back to you on that specifically. I am not sure if you have—I mean, as I said, I think we are roughly aligned, but if you have something specific, I am happy to follow up.

Mrs. RODGERS. OK. I would like to do that.

Thank you. Great to meet you virtually.

I yield back the balance of my time.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now I recognize my colleague from Illinois, Bobby Rush, for his 5 minutes of questions.

Mr. RUSH. I want to thank you, Madam Chair.

Madam Secretary, I certainly welcome you to this hearing.

Madam Secretary, I am going to take a different approach. You have mentioned in your opening statement the office of minority business development, or the Minority Business Development Agency, which I think since its inception has been a woeful failure. It is woefully inadequate. And, in my humble opinion, it needs to be scrapped, because it has failed to accomplish even a modicum of what I envisioned—or what I felt was its original vision.

You mentioned funding for the MBDA in your opening statement. What is the budgetary increase in the President's budget for this agency?

Ms. RAIMONDO. He calls for a \$22 million increase.

Mr. RUSH. A \$22 million increase.

What is the mission of the MBDA, in your opinion?

Ms. RAIMONDO. First of all, I agree with you, by the way, that it needs to be elevated and expanded so we have more money to do more, you know, grant making, et cetera.

The mission is to help minority-owned businesses to have access to capital, access to technical assistance, so that they can grow and be successful.

Mr. RUSH. Well, Madam Secretary, again, in my opinion, this is an agency that can't justify its existence, especially in terms of the

results that it has achieved for the American people. And, as you can tell, I am highly critical of it.

It is an agency that languishes in the dark. Most minority businesses are not even aware that it exists. It has absolutely no relationship with the majority of entrepreneurs that are located in my district and, I think, in districts that are similarly situated in our Nation.

What can be done, in your opinion, to strengthen the robustness and the reach of the MBDA in these very same communities that have been obviously exposed to all who can see that doesn't exist as a result of this pandemic? So what can be done in your opinion to strengthen it?

Ms. RAIMONDO. Yes. So let me say this: I share your concern. And when I first was learning about the job, I was kind of shocked to realize that MBDA is the only agency in the entire Federal Government specifically designed to provide grant funding to minority-owned businesses above a million dollars in revenue, and it is such a small, you know, department.

So what the President calls for in the budget is first to elevate it so that there is an Assistant Secretary that is properly staffed. You know, I think that elevation would be critical, a proper Assistant Secretary, confirmed by the Senate, with proper staff.

Secondly—

Mr. RUSH. Madam Secretary, on that, has there been an individual nominated and confirmed by the Senate at this point in time?

Ms. RAIMONDO. No. No, because now the position isn't high enough. So, no, there is not.

Mr. RUSH. OK. So, in the future, as we sit here at this hearing, at this introductory hearing before this committee, then the forecast for us Members in Congress is that this is a—it is a bleak forecast, from my perspective. Do you share that perspective?

Ms. RAIMONDO. I do. I think—I am sorry, it was hard for me to—I share that it should be elevated and, you know, better funded.

Mr. RUSH. OK. Well—

Ms. RAIMONDO. And, by the way—

Mr. RUSH [continuing]. I humbly submit to you that it should be scrapped and that you don't put new wine into old wineskins, all right? You recreate a robust agency, and that will accomplish the mission that you and I share, in that it would enhance the participation and the success of minority-owned businesses. I take the position that it should be scrapped, erased from memory, and that we should replace it with something that is much more viable, up to date, and much more robust, and, lastly, much more effective.

Madam Chair, I yield back the balance of my time.

Ms. RAIMONDO. Could I just say, I would love to come visit with you on that so we have more time to discuss it.

Mr. RUSH. You are welcome. You are welcome. The lights are always on.

Ms. SCHAKOWSKY. Great.

The gentleman yields back.

And now I recognize Mr. Upton for his 5 minutes of questions.

Mr. UPTON. Well, thank you, Madam Chair.

And thank you, Madam Secretary, for this. I, too, look forward to meeting you in person and getting to know you a little bit. You have a mighty big job, particularly as we try to get our economy moving again. There are so many hazards every step of the way, and we wish you the very best as we try to get our economy opening up again and everybody working.

I have basically three questions. I am going to ask them right at the beginning, and then I will let you take the balance of the time to try and respond to all three.

I know cybersecurity has been mentioned by both Gus and Frank a little bit earlier. I serve as the ranking member on the Subcommittee on Energy, the top Republican, and I am anxious to hear what you all did as it relates to the cyber attack on Dominion—on Colonial Pipeline.

Did you all work and integrate forces with the Department of Energy? What strategy do you have in mind? I would be anxious to see what you did and what you might propose.

Second question I have is, today I introduced the SHIELD Act. It is going to require you and the FTC to study and report on electronic commerce, including data sharing and flow and its impact on the U.S. economy.

I think you are going to the EU soon. And I would wonder if you could elaborate on the impact that the U.S. economy has experienced in light of the Privacy Shield ruling and, obviously, some impact maybe on our legislation as it may move forward.

And, lastly, the construction season is a tough one. Lumber prices are, as they say, out of the roof. I continue to hear about these building-material prices from my home builders and others, my Realtors.

I understand that you and your team are working towards a lumber/building materials supply chain summit. Can you give us an update on where that stands to solve this, what I would call a real knotty problem?

Ms. RAIMONDO. Hi. I also would like to get to meet you in person. So I jotted everything down. I will go in reverse order.

So the lumber issue is really, really significant. I personally have been talking to home builders and trying to assess how bad it is, and the answer is, it is bad.

Some of it is because of COVID, quite frankly. The sawmills shut down, and now, due to the big increase in demand for houses because of COVID, there is just a mismatch in supply and demand.

So we are working really aggressively on what you just said, which is the summit. I expect that that will happen, like, in a matter of weeks. I would, you know, invite you to join us or be with us.

We are all over this, to the extent possible, trying to do everything we can to work with the private sector to get the sawmills back up and running and do everything we can in the short run to help with that supply.

Secondly, on Privacy Shield, I would be interested to take a look at what you proposed. It is really important. You know, data flows underpin a massive amount of commerce. As I said earlier, the thing I am right now very focused on is the U.S.-EU data flows and renegotiating a Privacy Shield agreement with the Europeans. I am

headed to Brussels next week, will be talking to my counterparts, and this topic will be on the agenda.

It is an issue—to answer your question, it affects particularly small businesses that need, you know, privacy standards and that don't have, you know, all of the money that the bigger companies do. So it is something that we have to work on.

And then you asked about cyber. I will say, the Department of Commerce was not particularly involved with Colonial. That was primarily the White House and the NSC and the FBI and the Department of Energy.

And, as I was saying, you know, this is primarily something that the private sector needs to own on their own. We obviously don't think anyone should pay the ransom. And Colonial as well as other companies need to do more to protect themselves.

Ms. SCHAKOWSKY. I don't know.

Ms. RAIMONDO. Is someone—sorry. I don't know if I lost you.

Mr. UPTON. Yield back. Thank you, Madam Chair.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize Kathy Castor, Congresswoman Castor, for her 5 minutes of questions.

Ms. CASTOR. Well, thank you, Madam Chair.

And welcome, Madam Secretary. Good to see you again.

I really appreciate your can-do spirit, because America needs it right now as we bounce back from COVID-19 and really do everything we can to create good-paying jobs, that stronger foundation for families to thrive.

And you have an enormous task ahead. There is a lot of bipartisan support for improving advanced manufacturing, our supply chains, the industrial base. And, at the same time, we have a climate crisis on our hands, where we are going to need to ramp up everything that we are doing on the clean-energy side. And I appreciate Chair Schakowsky asking about that too.

House Democrats last year published a major report with recommendations. It is really good to see so many of them reflected in the Commerce Department budget, such as conserving/restoring ocean and wetlands; ecosystems, understanding their climate benefits; expanding real-time Earth monitoring, the data collection, everything for climate risk modeling; expanding federally supported research on the impacts of climate; and investing in manufacturing in clean energy, clean vehicles, and all of those zero-emission technologies.

So let's talk a little bit about that. You broached it at the beginning of your testimony, on what you are doing to help prepare, you know, investing in those companies and those technologies, in the research to develop the carbon-free technologies.

But what do you do, what does Commerce Department do to prepare the groundwork for sharing those technologies to the rest of the world?

One of the ways we are going to be able to solve the climate is making sure that our partners in the developing world use American-manufactured technology. So what is your plan of action there?

Ms. RAIMONDO. Yes, thank you.

So, first of all, I agree with you that it is very important to integrate the work we are doing into our plans around climate.

The President's budget calls for a quadrupling of the funding of the MEP program, which is something I used a lot as Governor. It allows us to support and provide technical assistance to small manufacturers across the country. And many of them will be focused on areas that you are talking about—clean energy, clean tech—and working with the Department of Energy to help them, you know, create these new products.

Separately, we have an initiative in ITA around clean-energy technologies and products specifically to do what you are talking about, which is enhance and improve our export and export promotion. So we have a clean-energy-export promotion initiative within ITA, which I would be more than happy to come to talk to you about.

So I think it is two things: It is investing to do more innovating and also export promotion.

Ms. CASTOR. That is great.

And then we are—this is great, that you were Governor when the Nation's first offshore wind project was announced. And now that President Biden has followed that up with a goal of deploying 30 gigawatts of offshore wind by 2030, how is the Commerce Department helping the administration's offshore wind goal? And what will meeting that goal mean for the supply chains here in the good old USA?

Ms. RAIMONDO. Yes. So, for a long time, I was the only Governor in America who could say we had an offshore wind farm, and I was very involved in it. Investing in offshore wind is a huge opportunity to put Americans back to work while, as you say, you know, fighting climate change.

So I am very involved, working with my colleagues at the Department of Interior, the Bureau of Ocean Energy Management. We at NOAA will play a big role in making sure that the fishing community has, you know, their concerns met.

I will say this: I know you can have both sustainable fisheries and offshore wind. And so, you know, we are really bullish on it, and I plan to be very engaged.

Ms. CASTOR. That is great. You wouldn't think that, me sitting here in Tampa, Florida, that we might see some supply-chain throw-offs from Orsted and the Atlantic offshore wind project, but, sure enough, they said they are going to build the vessels that they need to build and maintain all of those offshore wind farms right here in my district and along the Gulf of Mexico.

So this is a huge opportunity for manufacturing and all of our supply chains. So thanks so much.

Ms. RAIMONDO. Totally agree.

Ms. CASTOR. I yield back.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now I recognize Brett Guthrie, Congressman Guthrie, for 5 minutes for questions.

Mr. GUTHRIE. Thank you, Madam Chair, and thanks to the Republican leader for having this.

Thanks, Madam Secretary, for being here. I appreciate it. One of my first roommates in the Army many, many years ago was Peter

Parente, who was a colonel in the Rhode Island Guard and said he worked with you when he was PAO officer. I think he is from Cranston, actually, or near that area. So he said to say hello.

What I am interested in—and I know you talked about some of this with Ranking Member McMorris Rodgers and also about going to Europe next week. So, you know, one of my concerns is artificial intelligence and blockchain, which you had sort of talked about.

So just to give you some time to be a little more specific, how we can, you know, working within ourselves and working with like-minded allies, defeat China in artificial intelligence and moving forward on blockchain. Could you give us some specifics on that? You mentioned it a little bit.

Ms. RAIMONDO. Yes. So, first of all, I do know Peter, and please send my regards back. Rhode Island wouldn't have gotten through COVID without the National Guard. They were amazing. I deployed over 1,000 of them, and I can't say enough.

So, AI. A few thoughts.

Underpinning all of AI are semiconductors. The building blocks of artificial intelligence are leading-edge semiconductors. Right now in this country, we make zero semiconductors. So we don't get in—we are very dependent on Taiwan for that, and China is spending \$200 billion to, you know, create their own capacity. So, as far as I am concerned, that is among the most important things we can do to win in AI, is invest in leading-edge semiconductor capacity in America.

Secondly, standards. So the standards-setting body is NIST, which reports up to me. And, you know, I am really quite worried, that we need to work with our allies that share our values to set the standards that will govern cloud computing, artificial intelligence, you know, all new emerging technologies.

This is really technical stuff. And, by the way, I am not pretending I am technically advanced, but here is what I do know: When the standards get baked, they define the whole industry. And if we aren't the ones making those standards, that is a real problem. So we plan to be very, very active at NIST setting—

Mr. GUTHRIE. OK. Thanks. I just have a few seconds, so I don't want to interrupt and be rude. I just want to—

Ms. RAIMONDO. Not at all.

Mr. GUTHRIE [continuing]. Ask another question.

So, staying away from all the very technical stuff, spectrum. No, I am kidding. I am trying to learn more about that myself. I am working with my friend from California, Doris Matsui, in spectrum.

So the Commerce Department has the responsibility for Federal spectrum. And so how can we make spectrum more efficient, or what are you guys looking at or beginning to work on, how we could make Federal Government spectrum more efficient so we can free it up for the private sector? And that leads in to winning 5G.

So, if you could talk about spectrum and strategies for 5G, particularly over China.

Ms. RAIMONDO. Yes. Again, it is a really big deal. So we control all government-owned spectrum. And, to be very candid, I think NTIA needs to—I am looking for a leader who can really lead and step up our efforts in that regard to make sure that we get as much of the government-owned spectrum as we need and make it

available to the private market, because that will be necessary to speed the rate of 5G and all the innovation that goes along with it.

So we are looking at a—the President wants us to do a governmentwide, agencywide spectrum strategy so we look across the whole government and get as much of it as we can.

Mr. GUTHRIE. Thanks. And that is important. I know the previous administration, even President Obama's administration, focused on spectrum, and it is just so difficult to do. It just takes drive to get it done. And so I encourage you, and we want to work with you to do that.

Also, just touching really quick—I have Mammoth Cave National Park. Abraham Lincoln—I know the chairwoman claims he is from Illinois, but he was born in Kentucky, so we have historic sites for people to visit.

So what can you do—or elaborate on—I know my good friend Gus Bilirakis talked about it—on getting the tourism industry recovered? I have about a half a minute left, so I will just stop there and let you talk about tourism and bringing it back.

Ms. RAIMONDO. Yes. So we have to do more. We are about to invest \$750 million to all States so they can take advantage of that money for marketing and job development. As I said, I would love to work with you to find ways to fund Brand USA.

I will just tell you, I have spent a lot of time helping to get, like, the cruises being able to cruise again, airlines—we just—we have to lean into it, because people are struggling.

Mr. GUTHRIE. Thank you.

And my time has expired. Thank you very much, and I yield back.

Ms. SCHAKOWSKY. You don't want to get in a fight about Abraham Lincoln, now, do you? OK.

Mr. GUTHRIE. He was born in Kentucky, so—anyway.

Ms. SCHAKOWSKY. OK. No problem.

So, next, I yield to Representative Trahan for 5 minutes for her questions.

Mrs. TRAHAN. Thank you, Madam Chair.

And thank you, Madam Secretary. It is great to have you leading Commerce. We all look forward to working with you.

I am proud to represent Merrimack Valley in Massachusetts. It is home to several leaders in the U.S. semiconductor market. These companies focus on research and development, chip design—the portion of the semiconductor supply chain where, according to the Semiconductor Industry Association, the U.S. represents over 65 percent of the global market.

When it comes to material manufacturing, weight for fabrication, assembly, and packaging, however, the U.S. represents less than 12 percent.

So, Secretary Raimondo, the United States still has an advantage in basic sciences, product design, R&D, which all serve as the basis for manufacturing innovation. Why hasn't this advantage translated into similar advantages in domestic manufacturing?

And can you specifically speak to why Federal funding is needed to strengthen the manufacturing portion of the semiconductor supply chain?

Ms. RAIMONDO. Yes. By the way, my whole family is from Lawrence, Massachusetts.

Mrs. TRAHAN. Oh, perfect. I can't wait to host you.

Ms. RAIMONDO. So I think the thing is, we just—manufacturing moved to countries that had cheaper labor. You know, there was a rush to move to Asia, where labor was less expensive. And all of a sudden—not all of a sudden, but over the past 20 years—we, as you say, we now only produce 12 percent of global supply. We used to produce 37 percent of global supply. And so we need to make this stuff in America so we are not as dependent on other countries.

The scale of these investments is such that the Federal Government is the only entity big enough to incentivize this. The President proposes a \$50 billion investment. What we are going to have to do is use that \$50 billion to unlock another \$100-plus billion of private capital. So we at Commerce are going to really look to do public-private partnerships. And we want to use our 50 to incentivize the private sector to do, you know, twice that.

As I said before, China's plan is \$200 billion in the next 5 years. So, you know, if we are going to compete, we need the Federal Government to compete at that scale.

Mrs. TRAHAN. Well, thank you for that.

I mean, it is clear that over the decades, you know, semiconductor technology has also become increasingly complex, requiring high-skilled laborers with advanced degrees. Fortunately, the University of Massachusetts Lowell can support some of the semiconductor talent pipeline in northeast Massachusetts by combining the accessibility of a public institution with leading research centers. But, with approximately 4,500 students graduating annually, UMass Lowell simply can't meet the demand, both regionally and nationally, in this high-skilled market.

And so I am wondering, what role should the Department of Commerce and private industry play in strengthening the talent pipeline for the semiconductor market? How can we ensure a diverse workforce? And is there a role for apprenticeships?

Ms. RAIMONDO. Yes. So I have got religion on this topic. I led in this area as Governor. Yes, yes, yes. The Department of Commerce has to play a central role, because business has to play a central role, because business has to tell us, you know, what skills are required so that we can train folks to have those, you know, necessary skills.

And it has to be, like, an everything—it can be no one thing. In other words, community colleges are great; apprenticeships are great; frankly, high schools are great; job-training initiatives provided by nonprofits are great. It has to be an all-of-the-above if we are going to meet the needs and also not leave women and people of color out just because these are technical jobs.

We have to go out of our way to make sure we train women, people of color, people who have been traditionally left out. Because these are good jobs, don't require a 4-year college degree. And it is just as important to national security as anything else we are talking about.

Mrs. TRAHAN. Well, thank you, Secretary.

You know, the COVID-19 pandemic certainly highlighted the need to strengthen critical supply chains, and I am grateful for your leadership as we move forward. And, truly, please accept my open invitation to visit the Merrimack Valley, and I would love to meet your family.

Ms. SCHAKOWSKY. The gentlelady yields back.

And now I recognize Representative Bucshon for 5 minutes of questions.

Mr. BUCSHON. Thank you, Madam Chairwoman. I apologize that I am traveling in my district.

But, Secretary, thank you for appearing before the subcommittee today.

And, in your testimony, you highlight that the Department of Commerce fiscal year '22 requests \$142 million for the Bureau of Industry and Security, or BIS, and its important work analyzing exclusion requests of imported steel and aluminum products, even though I notice that the administration still has not named an agency head at BIS.

As a cochair of the Congressional Aluminum Caucus, I would like to call your attention to a rule change related to exclusion process that the Department published last December that deserves reexamination, particularly relating to the provisions around the general approved exclusion, or GAE, mechanism.

I understand the aluminum steel stakeholders have raised serious concerns about GAE. Will you commit to examining the current exclusion process and assessing its impact on the domestic aluminum and steel industries and specifically to reexamining that GAE mechanism?

Ms. RAIMONDO. Yes, I will commit to looking at it, working with you.

After the 232 tariffs, the volume of exclusion requests went through the roof. We have gotten a lot better. We put a portal up. It is more streamlined; it is more transparent. But I am sure we could do better still, and so I would be happy to, you know, look into that with you.

Mr. BUCSHON. Yes. I mean, I know there is a lot of aluminum-foil-type products that are coming from China and other places flooding in the U.S. market.

In addition to the recent rule changes with Section 232, I understand your agency along with others are going to engage in bilateral talks with the European Union on Section 232 remedies. Does your agency plan on gathering relevant industry and stakeholder input on the impacts of any possible changes to Section 232 remedies proposed or made in those negotiations?

Ms. RAIMONDO. Yes, absolutely. We will do broad stakeholder engagement. In fact, we already are—and if you have anyone in your district or consumers or producers that you want us to consult with, I would be happy to do that.

Mr. BUCSHON. That is great.

And, last Congress, I authored the Advancing New and Advanced Materials Study Act, which was eventually signed into law. The goal of the law is to identify and mitigate risk to the supply chains of advanced materials.

Your testimony highlights some of the recent actions taken to support [inaudible] inadequate access to semiconductors in the U.S. And I know you have discussed this quite a bit, but I just want to be another one to put it on the radar screen.

As we look at the entire microelectronic sector, are there any other specific components or technologies that are used by a wide variety of industries throughout the economy that see similar levels of offshore production as the semiconductors that your agency is monitoring?

Ms. RAIMONDO. Pharmaceuticals, certainly. You know, the pharmaceutical supply chain has gone overseas substantially. Certain critical minerals. Certain critical metals. Batteries, you know, power supply. There are many areas, actually, that are important and that we have allowed to all go overseas.

Mr. BUCSHON. Yes. I think that has been a decades-long issue. And it is really critically important, I think, particularly rare-earth metals and others that we all know about.

Are there any active steps that you and Commerce can do to take and increase our resiliency and prevent shortages, similar to what we have seen with the semiconductors?

Ms. RAIMONDO. I think the important thing, which we are doing in concert with other agencies, is continuous monitoring.

So, like, for example, today I was talking to Tom Vilsack, who said that our food supply is in good shape in America, except we have to do it more sustainably; otherwise, 10, 20 years from now, we will be in the same problem as we are with some of these other things.

So we are setting up a continuous monitoring so that we don't, you know, wake up one day and realize, you know, we have a problem that has been, as you say, in the making for a long time.

Mr. BUCSHON. Well, I do think that is important, and I appreciate that answer. Because I think one of the things that we have done poorly in the Federal Government, both in Congress and in agencies across administrations of either party, is really look ahead and not just be reactive but be proactive and look at this situation. And I think that is kind of where we got with the semiconductor, you know, the chip situation.

And I think that we need to do a better job, and you have outlined how you may do that. So I thank you very much for that.

And, Madam Chairwoman, I yield back.

Ms. SCHAKOWSKY. Thank you.

The gentleman yields back.

And now I recognize Congressman Jerry McNerney for 5 minutes of questions.

Mr. MCNERNEY. Well, I thank the chairwoman.

Secretary Raimondo, in your written testimony you discussed the importance of funding to upgrade the Department of Commerce's own cybersecurity posture. Why is this important, and how will it be used to protect the Department against the growing cyber threats?

Ms. RAIMONDO. Yes. Thank you.

So, listen, we are as vulnerable—the public sector is as vulnerable as the private sector. And the President's budget includes \$107 million for cyber upgrades at the Department of Commerce,

which will enable us to employ a whole-of-Commerce approach to have more mature cybersecurity practices.

We, unfortunately, were a target in SolarWinds. It was significant. And so we need to make these investments to upgrade and harden our systems.

Mr. MCNERNEY. Well, thank you. It is needed.

When it comes to the telecommunications supply chain, why is it important that we make sure that our Nation is competitive rather than relying on foreign suppliers?

Ms. RAIMONDO. Huawei, which is a Chinese company, is all throughout our network, and, you know, that presents a real national security risk.

So it is important that we have American companies or, as you say, trusted vendors, you know, maybe European or allied companies, that we could trust, so China and other countries can't get a backdoor into our network and diminish our national security.

Mr. MCNERNEY. OK.

Well, I, along with my colleague on this committee, Congresswoman Clarke, have introduced the Digital Equity Act. Our bill would establish two Federal grant programs to address the gaps in broadband adoption and promote digital literacy skills. This includes a grant program for States to adopt, to develop, and implement digital equity plans, and the other would be a competitive grant.

Would you support legislation such as the Digital Equity Act that promotes closing gaps in broadband adoption and promotes digital skills and digital literacy?

Ms. RAIMONDO. Yes. I don't know your bill specifically, so I would like to, you know, get familiar with it before committing to that particular piece of legislation, but 100 percent committed to the goal. President Biden has said over and over, we need to close the digital divide. Every single American deserves access to high-speed, affordable broadband.

And I strongly support digital literacy. I lived it as Governor during COVID. It was really quite heartbreaking to see how many people didn't have broadband, computers, weren't digitally literate. And so, absolutely, I would love to work with you on it.

Mr. MCNERNEY. Well, thank you.

Madam Secretary, given my past work to permanently authorize the Minority Business Development Agency and to secure funding for the agency, I was pleased to see the President's budget requested \$70 million for that.

Following up on Mr. Rush's question, aside from the addition of the Assistant Secretary for the MBDA, can you expand on how increasing funding will be used to enable the agency to help more businesses get started within disadvantaged communities?

Ms. RAIMONDO. Yes. Look, so the President is asking for 22 million more dollars. We need every bit of that. That will allow us to reach more minority-owned businesses. So that will be tens of millions of dollars more of grants for small minority businesses and also the staff that is necessary in order to execute on that.

Mr. MCNERNEY. Well, I am covering a lot of territory here. Artificial intelligence presents certain opportunities and challenges, and our local communities are the ones who are going to have to deal

with the fallout and the opportunity here. So I want to make sure that our communities have some amount of Federal protection from what might happen.

The city of Stockton, which is in my district, was the first city to develop an AI strategy to help deal with some of these strategies and issues.

Would you work with me to find ways that the Federal Government can help communities across the country be more resilient in the age of artificial intelligence, including ways to empower communities to better prepare their workforce for future job opportunities and helping them leverage their assets to attract AI investment?

Ms. RAIMONDO. Absolutely. I would look forward to it.

Mr. MCNERNEY. Very good.

All right. I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And I now recognize Congressman Dunn for 5 minutes of questions.

Mr. DUNN. Thank you very much, Madam Chair.

Secretary Raimondo, let me thank you for joining us today. I know everybody appreciates your time.

Operation Warp Speed demonstrated to the world, I think, the true capabilities of the American private sector in terms of immediate innovation. And if our government, you know, gives the private sector the tools and then just kind of stays out of the way, U.S. companies can and will quickly rise to the occasion and solve many of our most pressing problems. And that was the secret super sauce that won World War II, and it is the same thing that led us to lead the world in building the vaccines that are defeating the SARS-CoV-2 pandemic.

Addressing the vulnerabilities in our critical supply chains will be the next great challenge as we continue our transition in this post-COVID world. And the White House, as has been mentioned before today, just this morning released a report entitled the 100-day supply-chain review report, which paints a startling picture of the future if we do not act swiftly. You know, it notes that our share of global semiconductor production will fall to just 10 percent by 2030 and the Asian market controlling 83 percent. With six new semiconductor facilities under construction, four of them are in Communist China.

So this, combined with the imminent danger of us falling behind the Chinese Government in development of artificial-intelligence capabilities, presents a threat that we all must work to address right now.

So my questions, Madam Secretary: One, what can the Department of Commerce do to ensure that public-private partnerships take a cohesive approach to artificial-intelligence technology, doesn't fragment the industry and thereby stifle rapid innovation and development of these technologies in the United States?

And, two, is the Biden administration concerned by the collaboration of American Big Tech companies on the artificial-intelligence research areas currently taking place inside China, such as that by Google and others?

And, finally—finally—a somewhat more parochial question but well within your purview as Secretary of Commerce. As you may know, Hurricane Michael devastated my district, the panhandle of Florida, in October of 2018. And on June 6, 2019, a supplemental appropriations bill was signed into law by then-President Trump, which included money to help the Florida Gulf Coast seafood industry, which was severely impacted by that storm. And despite the Florida Fish and Wildlife submitting a spend plan for those moneys in August last year, 2020, there still has been no funding obligated from NOAA to date.

And I know you don't have the answer at the top of your head, but I ask that your office get back in touch with my office with an update as to when we can expect these funds to be in the hands of our devastated Florida commercial fishermen, who provide, by the way, everybody in the Beltway and New York City or wherever up the East Coast, all of your diners with the bulk of your seafood.

So, Madam Secretary, I give you those three questions. Thank you.

Ms. RAIMONDO. Thank you, Congressman. That is a lot of territory. I will do my best in the minute I have.

The last one is the easiest. Absolutely, I will have my staff follow up with your staff to get the status of the NOAA funding after Hurricane Michael. I will tell you, I feel for you, having been the Governor of the Ocean State. We struggled a lot with hurricanes. So I will get you a good answer to that.

Mr. DUNN. Thank you.

Ms. RAIMONDO. With respect to your comments about the private sector and Operation Warp Speed, I do agree, in that America was first in the world because of the innovation in our private sector. Also, the good collaboration with the public sector was necessary. And that is the model that we will use to work on the semiconductor supply chains.

The whole thing will be a public-private partnership. We are viewing our job and the \$50 billion to be, kind of, unlocking and incentivizing the private sector and private investors and companies to match our investment or more than match it.

We are just trying to stimulate the innovation, but it is going to be, you know, primarily private-sector-led, you know, with the support of the public sector.

Mr. DUNN. Thank you very much, Madam Secretary. I am greatly appreciative of your time.

Madam Chair, I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize the Honorable Tony Cárdenas for 5 minutes for his questions.

Mr. CÁRDENAS. Thank you, Madam Chair and Ranking Member Bilirakis, for having this very important discussion with our Secretary Raimondo.

Welcome to the committee, Madam Secretary. And we appreciate all the insight you have been giving us and all the information that you are going to get back to us on. So thank you so much for all your diligence and your efforts as our Secretary of Commerce.

But I just wanted to remind everybody who is watching, all those seven viewers from the public, that this discussion today is all

about the American people. It is about security for the American people. It is about jobs, for the jobs of today and tomorrow for our children and grandchildren and people who are trying to provide for their families today.

And this discussion is probably—I am very pleased to see, this is probably the least bipartisan dialogue that I have seen in the 8 years that I have been in Congress. So, to me, this is a very, very proud moment, to see Democrats and Republicans come together and talk about all the important issues that are facing our individual districts, our States, our entire country, and also reminding everybody that, when we get it right, we do wonderful, amazing things not only for the American people but for the world.

I come to Congress as a husband, as a father, now as a grandfather, but before that I was an engineer, and then I was a businessman. So I have been able to see from a large, large company like Hewlett-Packard in the technical field with my electrical engineering degree. They gave me an opportunity to participate in that and to see, at that time, in the 1980s, we were dominant in the world. We were so respected. We were so appreciated. And there was probably not a fine technical product on the planet that didn't have American innovation in it. But that is changing, unfortunately.

But we should not despair, and I don't think we should give up, because I look at your budget, Madam Secretary. You are talking [audio malfunction] actually going to address many of the things that my Republican and Democrat colleagues have been talking about today, which is that public-private partnership. Those Federal grants and to be able to have those, quote, "bureaucrats," but in a good way, be able to administer those things and get them out to businesses, small and large, so that we can actually innovate and then show the world that we are the innovation capital of the world.

And when we are the innovation capital of the world, when it comes to artificial intelligence, when it comes to cybersecurity and things of that nature, the world is in good hands, in American hands.

So, with that, there is much that has already been covered by my colleagues, but one thing that I would like to point out is that, having been a small business myself and having been the son of Mexican immigrants, being a minority business owner does come with its challenges.

And, in your budget, you are talking about expanding something and creating a permanent Assistant Secretary for the Minority Business Development Agency within the Department of Commerce. Can you please expand on how critical that is not only to minority businesses but to those businesses that feed those huge businesses that are not minority businesses? Please.

Ms. RAIMONDO. Thank you, by the way. Thank you for your comments and your question.

So, as you know all too well, access to capital for entrepreneurs of color has been and continues to be a barrier for success for these small-business owners. The same is true for women, by the way. You know, access to capital can be kind of based on networks and

clubs and relationships, and people of color and minority businesses have been left out.

And so what the President calls for is a Presidentially appointed, Senate-confirmed Assistant Secretary of Commerce for the Minority Business Development Agency, which I think is very important. It will strengthen the authorities of the MBDA leadership to carry out its core mission and, you know, to create offices within the MBDA and in the regional hubs.

So I think that this is really important. It will elevate the mission of MBDA, elevate the standing of MBDA. And, importantly, the President calls for \$22 million extra of funding, which just means we can do more to provide capital and access to capital for entrepreneurs of color.

Mr. CÁRDENAS. Yes. Well, thank you. I think it is fair and appropriate, the way President Biden has put in his budget to actually make it Senate-confirmed, which means this is not partisan, this is not about just looking at it from one lens. It is about allowing us to be able to look at it for what it is and appoint the right person who is going to have a fair and honest way of dealing with this issue about growing American businesses. For God's sake, the largest businesses in the country started off as small businesses.

And the last thing I am going to say: I want to thank you for also mentioning women businesses, because it is women and minority businesses that need that just fair, fair access to capital, just that fair playing field, and then we are going to see our economy just skyrocket for the better.

So my time has expired, Madam Chairwoman, and I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now it is my pleasure to yield to Representative Lesko for 5 minutes of questions.

Mrs. LESKO. Thank you, Madam Chair.

And thank you, Madam Secretary, for joining us today.

I look forward to reading the report that I think was just released today about semiconductor manufacturing and how the U.S. is going to be involved in that.

But I wanted you to be aware that my district in Arizona, Congressional District 8, will be the home of the new Taiwan Semiconductor Manufacturing Company. And then, of course, we already have Intel in Arizona, but they are investing another \$20 billion to expand their semiconductor manufacturing in the State of Arizona.

And my question is, what role does the Commerce Department play in increasing the number of advanced chip makers in the United States? And what plans do you have in place, what incentives and so on and so forth?

Ms. RAIMONDO. Thank you for your question. I know your Governor quite well. We worked very well together when I was Governor.

And you are correct. Intel, TSMC, this is a great thing for Arizona. And it is the example of how we are going to do this. So hopefully the Congress does appropriate the \$50 billion that the President is requesting, and that money will be used to provide incentives to companies like TSMC, like Intel, like others to build more factories in America. We think that is enough money to incentivize

the establishment of six or seven more manufacturing operations like the ones you are talking about.

I will tell you, that will all be done in collaboration with States. So, in every one of these examples, you know, probably the Governor or mayor or congressional delegation will have to work with us, the Department of Commerce, because the State will have to put some skin in the game, the Department of Commerce and the Feds will put skin in the game, and then the private sector will do the same thing. And that is how we are envisioning doing this.

Mrs. LESKO. Thank you, Madam Secretary.

My next question revolves around critical minerals. The more I learn, the more I realize how much of our critical minerals that are needed for, let's say, electric vehicles or offshore windmills or whatever are processed or made in China.

And so what role does the Commerce Department have in making sure that the United States is more involved in mining and acquiring critical minerals?

Ms. RAIMONDO. Yes. So I share your concern. I think there is reason to be concerned. Today, the administration released our 100-day report on critical supply chains. Department of Commerce is primarily focused with semiconductors, lumber, and steel, and Jennifer Granholm at the Department of Energy is primarily focused on the critical minerals, along with Deb Haaland at Interior. So I don't want to pretend I am an expert, except to say that we are all working around the table on shoring up supply chains.

And you are exactly right. I mean, so many of these critical minerals are inputs into things like semiconductors and batteries. And we have a plan to shore up domestic supply chains.

Mrs. LESKO. Thank you, Madam Secretary.

My last question is: In May 2019, President Trump signed Executive Order 13873 on securing the information and communications technology and services supply chain. The Department of Commerce is responsible for implementing this Executive order and put out an interim final rule in March.

My question is—I have three questions: How are you implementing the Executive order within your department? Who is responsible for that implementation? And did you intend on publishing a final rule? Or do you, I mean.

Ms. RAIMONDO. Since I have 20 seconds and that is complicated, the answer is, we are deep into the implementation, and with your permission I would love to follow up with you separately and in writing with, you know, the answers to your questions.

Mrs. LESKO. Thank you, Madam Secretary.

And I yield back.

Ms. SCHAKOWSKY. The gentlelady yields back.

And now I recognize Darren Soto for 5 minutes for his questions.

Mr. SOTO. Thank you, Madam Chair.

President Biden has pitched this battle of economic prosperity in the 21st century as one between democracies and authoritarian governments. And, as President Biden heads to the G7 summit to work on fair rules on international taxation, trade, and cybersecurity, we see major challenges, right? China spying through telecommunications; a pandemic that has exposed our need to develop personal protective equipment at home; a microchip shortage; sup-

ply-chain issues. We have also seen continuous Russian cyber attacks, so cybersecurity is a key part of it.

These are great challenges. So was COVID, though. And yet, with the CARES Act and the American Rescue Plan, our Nation has developed the best vaccines in the world. We are leading in vaccinations and coming back stronger than any Nation across the globe. So we know, in America, we can and we must win this manufacturing race too.

It starts with developing and bringing back jobs at home, and that is what the American Jobs Plan is all about: \$50 billion to support production of critical goods and industrial capacity for automotive, machinery, energy, and aerospace industries; \$50 billion for semiconductor manufacturing and research—we see that with the bipartisan CHIPS Act; \$14 billion for NIST to invest in basic investments in research and development, manufacturing, and training.

And we already see the first parts of the American Jobs Plan set to pass the Senate as soon as this week, the \$52 billion for the semiconductor industry. There is a section included in the Endless Frontier Act being debated by the Senate this week. This is great news.

And we must come together in this committee to support the American Jobs Plan. We need to put our money where our mouth is and invest in the American people so we can upgrade our infrastructure, our manufacturing capacity, and build back better. And our constituents are ready.

And, Madam Secretary, I have great news for you. In central Florida, we are a leader in aerospace and space manufacturing in East Orlando and Cape Canaveral on the Space Coast. In Osceola County, where I sit here today in Kissimmee, Florida, we have begun microchip and semiconductor manufacturing with SkyWater Technology, one of the largest domestic chip manufacturers in the country, at our BRIDG facility in NeoCity. President Biden, in fact, held up a SkyWater semiconductor wafer during his recent meeting with domestic manufacturers.

So I want to take a moment to invite you to NeoCity in central Florida. I would be remiss if I didn't mention that your predecessor, Secretary Ross, came last year, and we appreciate him, in a bipartisan fashion, showing an interest in these key, trusted foundries in central Florida.

So it would be great to hear a little bit more on the domestic microchip shortage and how the American Jobs Plan can boost domestic chip manufacturing in facilities like NeoCity.

Ms. RAIMONDO. So, first of all, thank you for your comments and for your support of the President's jobs plan. I was at that meeting where the President held up the wafer, and so I understand how important that is, and I would love to come down.

As we have been talking about and as you just indicated, we have allowed ourselves to get into a very vulnerable spot with semiconductors. We have gone from producing 37 percent of global production to 12 percent. And, if we don't make changes, that 12 percent will go down to 10 percent. At the same time, China has gone in the other direction. And, actually, they are consuming about the same number of semiconductor chips as we are.

So this requires urgent action. It requires you all to pass everything you just said—you know, the \$50 billion of appropriation so we can get to work. That money will come to Commerce, and we will invest it to stimulate the creation of more manufacturing operations in America like the one you have in Florida. We need more of it. We need more supply so we can create jobs and secure our national security.

Mr. SOTO. And, Madam Secretary, aerospace and space manufacturing, how key is it for domestic chip manufacturing to flourish again?

Ms. RAIMONDO. Extremely. It is all related. It is all related. It is vital to economic and national security and jobs, job creation.

Mr. SOTO. Well, we look forward to hosting you down in sunny central Florida soon.

And I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize Congressman Pence for his 5 minutes of questions.

Mr. PENCE. Thank you, Chair Schakowsky and Ranking Member Bilirakis, for holding this hearing.

And thank you, Secretary Raimondo, for joining us today for the 2022 budget request.

Before I get started, Madam Secretary, I wanted to mention that you and Chair Pallone were discussing all the Italians that you have in your area, and I want to point out that all these Italian women in my family married us Irish guys. So you can do with that whatever you think, OK?

I will move on to something a little more serious. Historically, the Hoosier State has been a leader in American manufacturing. In 1919, Clessie Cummins founded Cummins Engine Company in Columbus, Indiana. I have lived in Columbus my entire life, and nearly every family, my own included, has some connection to the company that helped build and grow Columbus, Indiana. This is exactly what we mean when we discuss “company towns.”

Today, manufacturing accounts for almost 17 percent of our workforce and contributes over \$100 billion to the State economy annually. We are proud to have two cutting-edge international automotive manufacturing plants in Indiana’s Sixth District, Honda in Greensburg and Toyota in Columbus. Across the State, medical manufacturers like Hillrom in Batesville, Cook Group, and Eli Lilly take advantage of the State’s longstanding manufacturing expertise.

Unfortunately, good-paying manufacturing jobs have been shipped overseas, leaving Hoosiers with fewer options to provide for their families. Exactly why I got into Congress. Aggressive behavior and unfair practices from countries like China have devastated opportunities for domestic manufacturing, creating a heavy reliance on automotive regimes for critical supply-chain materials.

As we have discussed repeatedly today, the semiconductor chip shortage is a serious threat impacting workers in my district right now. Just last week, an auto manufacturing plant in northeast Indiana started a 2-week furlough as a direct result of the chip shortage. This is just the latest example of how relying on foreign supply chains can jeopardize our economic security.

Secretary Raimondo, in Indiana, foreign direct investment fuels innovation and enhances our ability to attract investment from around the world. Over 870 international companies employ more than 200,000 Hoosiers, 56 percent of which are in the manufacturing sector.

Earlier this year, I introduced the bipartisan Global Investment in American Jobs Act with Chairman Bobby Rush that seeks to make the U.S. more competitive for foreign capital investment. Madam Secretary, will you commit today to working with us to advance this legislation?

Ms. RAIMONDO. Yes, I will. Absolutely. Foreign direct investment matters. It creates jobs, as you said. In fact, right now, this week, I am in the process of hosting the SelectUSA Summit, which is all designed to attract foreign direct investment into America. So I would look forward to doing that.

By the way, you said exactly the reason you got into Congress was to get these jobs back. That is exactly why I took this job when Biden called me, because my whole family grew up in manufacturing, and my dad used to say, "It is not just a job, it is a really good job." It is a dignified job, to spend your day all day making something and seeing it at the end of the day. And, by the way, it is a job you can get without a 4-year college degree.

Mr. PENCE. Uh-huh.

Ms. RAIMONDO. So that is why I got into this business, this job. And I would look forward to working with you.

As a footnote, my husband is Irish, and I am pretty sure he married me because of my cooking, so I think he probably made a good move.

Mr. PENCE. Absolutely not a surprise to me, Madam Secretary. Well, thank you for your perspective.

And, Madam Chair, I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

And now, Kathleen Rice, you are recognized for 5 minutes of questions.

Miss RICE. Thank you so much, Madam Chair.

And, as always, Madam Secretary, it is so great to see you.

I would first like to touch on the 232 tariffs quickly. In 2020, I wrote a letter to the DHS Inspector General asking to investigate discrepancies between the total amount of tariffs paid by the beverage industry and the amount received by the Treasury.

The beverage industry paid a total of \$582 million in 232 tariffs between March of 2018 and the end of 2019, but CBP had only collected about \$81 million of that total. So, while the broader IG audit is ongoing, they have provided a preliminary response confirming this discrepancy and have referred the matter to the Commodity Futures Trading Commission for further investigation.

So, through the end of 2020, that number grew to \$848 million in tariffs paid by the beverage industry versus \$88 million collected.

So I am concerned by the lack of transparency around how the 232 aluminum tariff is being applied and that the revenue generated by the tariff is not being remitted to the Treasury, clearly.

So I just wanted to bring this—I am sure you are aware of this—wanted to bring it to your attention if not, but also ask if you

would commit to working with aluminum end users and consult with your partners in the other Federal agencies investigating the situation as you review the 232 tariffs?

Ms. RAIMONDO. Yes, absolutely. I promise you I will do that and, you know, get with the Department of the Treasury and other departments to figure out where the money has gone.

Miss RICE. Great. Thank you so much.

I am also so excited and I really am looking forward to working with you on offshore wind development. We have been pushing for the Department of the Interior to designate WEAs in the New York Bight area, and they just came out with that about a month and a half ago. And so we are thrilled to be able to, you know, begin the process of doing offshore wind development on Long Island—well, really from Montauk, the end of Long Island, all the way up through Cape May, New Jersey, my district being right in the center of that. So I am thrilled to be able to do that.

Just one final question. NOAA is currently working with the National Center for Atmospheric Research, NCAR, to build advanced radar technology known as airborne phased-array radar that can be mounted on a plane and flown into storms to provide early forecasting for hurricanes. This radar will more fully anticipate changes in the ferocity of a hurricane before it strikes land and can be used to predict other severe weather events.

This technology is particularly important to my district on Long Island, where we seem to suffer once-in-100-year storms every year. You know, we are very susceptible to these types of storms, and it would allow us to prepare for these events and save lives.

In January, the National Science Foundation rejected a 5-year, \$70 million funding application by NCAR to fully develop this radar technology. Now, work had already begun on this radar, and, since it has already begun, does NOAA have the capacity to redesignate existing funds to avoid delays in deploying this technology, number one?

And, number two, what would be the ROI for developing this technology during severe weather events?

Ms. RAIMONDO. Yes. I need to get back to you on the answer of, specifically, does NOAA have that authority, and I promise you I will do that.

I will say, I think your last question was basically, how important is this? You cut out a little bit. But the answer is: Very. I mean, over 18 NOAA service products have explicit dependence on TDR, and it has been documented that it improves the performance of the NOAA products by up to 17 percent.

So I think this is very important. And we should follow up to see if I can be helpful to you.

Miss RICE. That would be great. Thank you so much.

And I just want to thank you so much for your time today. You know, one of my colleagues remarked before about how bipartisan this hearing is today, and I think that is in large part due to you, your knowledge on all the matters that we are discussing here today, your understanding how important it is. You have run a State that has had, you know, frontline problems, you know, in dealing with these issues. And I, for one, am just so grateful for your time here today and your willingness, you know, as you have

said to all of our members, whether they are Republicans or Democrats, to work with all of us.

So I want to thank you so much for that bipartisan spirit. Thank you for your time.

And I yield back the balance of my time, Madam Chair.

Ms. RAIMONDO. That was much too generous and kind, but I appreciate it. And I do want to work with all of you, because national security, manufacturing, we have to get together on these issues.

Ms. SCHAKOWSKY. Well, I associate myself with the remarks of my colleague, Madam Secretary, so we appreciate you very much.

And I am happy to call on Representative Latta now for his 5 minutes.

Mr. LATTA. Thank you very much, Madam Chair. I really appreciate today's hearing.

And, Madam Secretary, thanks very much for being with us today. It has been a very, very interesting hearing today and, also, the questions from both Republicans and Democrats on the committee.

Madam Secretary, one of my top priorities in Congress is getting broadband to unserved and underserved communities, which is why I have led efforts in the House to fix our Nation's broadband maps. Accurate maps will get resources to areas that need internet access the most.

Secretary, now that Congress provided the FCC with \$98 million to produce accurate broadband maps, what role will the NTIA map, currently being funded at \$7.5 million annually, play going forward?

Ms. RAIMONDO. Thank you.

So, first, I would say we share your goal, and I applaud you for working on it. The President has been clear that we have to have everyone having broadband.

Secondly, NTIA will rely on the maps that the FCC produces, and it is incredibly important that they are granular and accurate so that we don't waste our money overbuilding. We want to make sure that what we are doing is spending the money to get broadband to places that are unserved, and so the maps will allow us to know how to pinpoint our efforts.

And then NTIA is in charge of overseeing the broadband allocations from Congress in order to build the technology and fiber in places that currently have no broadband.

Mr. LATTA. Well, it is absolutely essential to get to these unserved areas. It has always been a concern of mine that, if we go out and overbuild, especially with the proposal that is out there, in the underserved areas—and what is being proposed is that maybe 58 percent of American households right now could be considered to be unserved and not underserved—I think it is going to hurt our rural areas.

Let me just follow up on this. Do you think it makes sense to continue funding the mapping efforts at NTIA as well as the FCC?

Ms. RAIMONDO. I do. I do, because I think, as I said, it is just so important to have granular, highly detailed, accurate maps so that we know where the unserved places are, whether they be rural, Tribal, urban, and, frankly, so we don't waste money overbuilding and we put the money to the unserved.

Mr. LATTA. Let me ask this. The Department of Commerce plays an increasing role in maintaining U.S. leadership in emerging technologies. As you are aware, last Congress, we passed the American COMPETE Act that tasked you with looking at different areas of technological advancement. Included in that legislation are two bills that I offered, the SMART IoT Act and also the Unmanned Delivery Services Act.

Relatedly, the unmanned delivery services are already being used to deliver goods across the country, including in my district through a program at Bowling Green State University which is highly used and highly successful.

As our country's commerce shifts to these new technological models, what is DOC doing to stay in front of these changes and removing roadblocks that may exist for their deployment?

Ms. RAIMONDO. Yes. Thank you.

So the President's budget calls for increases in funding to NIST, much of which is for research and development around cybersecurity, artificial intelligence, 5G.

The Department of Commerce is blessed with some of the best scientists in the world and technical folks, and it is important, like you said, that we make the investments in R&D so that we can stay ahead and also do that in collaboration with industry.

Mr. LATTA. In my last 47 seconds here, you know, as we look at the new IoT technologies, it is important that the government is a partner, not a hindrance, to American inventors.

What, in your view, can Congress do to enhance IoT technology and ensure that future cutting-edge technologies are given the right environment to develop?

Ms. RAIMONDO. Well, we can protect intellectual property, which is so important to stimulate innovation, through our USPTO. We can make these investments in basic research and development. We can provide loans and grants to manufacturing companies and tech companies and then also set the standards to allow for flourishing of these new technologies.

Mr. LATTA. Well, thank you very much, Madam Secretary.

And, Madam Chair, my time has expired, and I yield back. Thank you very much.

Ms. SCHAKOWSKY. The gentleman yields back.

And now I recognize my dear colleague from Illinois, Congresswoman Robin Kelly.

Ms. KELLY. Thank you, Madam Chair, so much.

And thank you, Secretary Raimondo, for testifying before the committee today.

Small and medium-size enterprises are the bedrock of our industrial base, employing about 43 percent of all manufacturing workers in the United States. They play an instrumental role in producing critical products essential to our economy: fabricated metal products, machinery, electrical equipment, appliances, computers, and plastics.

Our manufacturing sector can only be successful if these small and medium-size enterprises are successful. Madam Secretary, how will the American Jobs Plan ensure that small and medium-size enterprises grow and thrive?

And, also, how do you plan to uplift the Minority Business Development Agency so communities of color and underserved communities are able to come out of this pandemic stronger than before?

Ms. RAIMONDO. Thank you.

So, as you say, you know, most manufacturers in America are small and medium-size, and, sadly, we have lost about 25 percent of them in the past 20 years.

The President's budget calls for a quadrupling of the funding for the MEP program, Manufacturing Extension Partnership. The MEP is specifically designed to work with small and medium-size enterprises, manufacturers.

Last year, MEP centers interacted with over 28,000 manufacturers. And I know from my time as Governor in Rhode Island, they provide technical assistance, sometimes workforce training, to small companies. And it is exactly what you are talking about. It is a lifeline so they can innovate as small businesses.

So I hope that you will, you know, honor the President's request, because that will be money that goes right into your community, into these small and medium-size manufacturers.

On the Minority Business Development Agency, as we have been talking about today, we need to do more. You know, it is not OK that it has been underfunded, undervalued, kind of—I don't know—just not elevated to the place it needs to be. It is the only agency in the entire Federal Government that provides support and grants to minority-owned businesses above a million dollars in revenue.

We need to do more. I promise we will. And I would just strongly urge you to invest the additional money that the President is calling for and elevate it so that we can do that important work.

Ms. KELLY. You can definitely count on that.

We are in the midst of a new industrial revolution, the advanced manufacturing era, in which digital technologies are applied to manufacturing process to improve productivity, flexibility, and quality. But many small and medium-size businesses may lack the resources and technical expertise needed to adopt advanced manufacturing practices.

How do we ensure that small and medium-size enterprises do have the expertise and the resources needed to adapt to advancement in the manufacturing sector?

Ms. RAIMONDO. Such a good question, because, by the way, we have learned during the pandemic that businesses that were technically capable and digitally, you know, capable, they were able to stay in business and adapt and grow, and businesses that weren't, which were mostly small businesses, they went out of business or struggled. And I saw that as Governor. We put a lot of our CARES Act money into providing technical assistance to small businesses.

So, again, back to the MEP program, that is exactly what we will do with the money. The President calls for a quadrupling of the money, calls to fund the program at \$275 million. It will be for exactly this: technical assistance for small manufacturers to become more technically, digitally capable so that they can have a chance to compete.

Ms. KELLY. Uh-huh.

And, really quickly, the average salary for an employee in the manufacturing sector is nearly \$6,000 higher than the average salary of employees in all other sectors, but 89 percent of manufacturers, including businesses in my district, report that they cannot fill job openings. And many cite the skills gap and the aging workforce as a major contributing factor to the manufacturing labor shortage.

How do we close this gap and ensure that we are filling these quality jobs?

Ms. RAIMONDO. Train people, including women and people of color, in technical skills and then match them up with employers. Easy to say, harder to do.

Ms. KELLY. Right.

Well, I thank you, and I look forward to working together to strengthen our economy and foster the development of emerging technologies. Thank you for your testimony and being with us.

I yield back.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now I recognize Representative Armstrong for his 5 minutes.

Mr. ARMSTRONG. Thank you, Madam Chair.

And thanks, Madam Secretary. I concur with my colleagues. I mean, you have been great today. Obviously, your background is fantastic as—I will skip the lawyer part, because I am one too, but as a Governor and all of this. And I really do appreciate your honesty and how you testify.

The bad thing about going last is all the smart questions have been asked already, particularly on Privacy Shield. We started on those right away. The good part is, when people bring up tariffs, like Congresswoman Rice or whatever, it gives me a question.

So we are, obviously, in North Dakota, we are on the northern border. And I know this isn't necessarily your purview, but there are a lot of businesses on both sides of that border that aren't going to survive another summer season and fall season. And we rely heavily on each other without getting some of these border issues open.

So, as part of your directorate, if you have any sway with your friends north of the border to help us get some of our resorts and their resorts open so we can continue commerce across the other border that we don't talk about as much, I would really, really appreciate it.

Ms. RAIMONDO. Yes. By the way, I was on the phone with your Governor yesterday, and we talked about this.

I am doing everything I know how to do. I have talked to my counterpart in Canada. I absolutely share your concern. If you have other—if you have ideas for me, call me. I will do whatever I can.

Mr. ARMSTRONG. Thank you. I appreciate that.

And then I have a question, because Congresswoman Lesko asked you—and it was about semiconductors and critical minerals, and you talked about shoring up the domestic supply chain. And I am wondering if you are talking about semiconductors or critical minerals or both.

Ms. RAIMONDO. Both. I am sorry. Both.

Mr. ARMSTRONG. And so I agree with the semiconductor thing, but I am very interested in the critical minerals. I mean, we—I want to talk a little bit about scaling up of coal miners, because

you have talked about manufacturing. But, when you are talking about shoring up the domestic supply chain of critical minerals, can you just expound on that a little bit? Because we don't really produce any of them here right now.

Ms. RAIMONDO. Yes. So, again, this is not my area of expertise.

Mr. ARMSTRONG. Yep.

Ms. RAIMONDO. Secretary Granholm is the administration expert on this, and critical-mineral supply chain is in her purview.

But, from what I understand from reading her report, there are some opportunities to do, you know, more mining in America for certain critical minerals, and she is looking into ways to make that happen.

Mr. ARMSTRONG. Thank you.

And a recent Federal interagency report identified western North Dakota as one of the four areas with the most traditional energy-related jobs. And, in your testimony, you highlight the Economic Development Administration's assistance to coal communities. And, I mean, it is designed to provide funding for economic diversification, job creation, capital investment—all things you know about both from your private sector and public sector. And the proposed Commerce budget is actually an increase of \$50 million.

I just want to point out that that aid has to be compared to the economic contribution of, like, the lignite energy industry in North Dakota. And one of the things I always try to explain, that, listen, we can talk about clean-energy jobs versus traditional energy jobs, and we have talked about offshore wind here today, and I am glad we are doing all of that. But 15 offshore wind energy jobs, wherever they exist, while good for the worker, don't scale up like—when we lose manufacturing, nothing else scales up in those communities like that. If we lose the coal industry in western North Dakota, the adverse effect is, I mean, schools and counties and roads and all of those things.

So, as we continue down this path, and primarily using your view as Governor, do you have any—I mean, what can we do to protect the communities as we start transitioning?

Listen, I don't want to litigate the climate stuff. We do that in a lot of other hearings on this committee. But, I mean, there are different things moving on. But we have to recognize that, when we do these things, this isn't just—you can't equate 100 jobs somewhere else with 900 jobs in Beulah, North Dakota. Because what happens if we lose those 900 jobs in Beulah is we lose Beulah.

And so, I mean, just as you are doing this and moving forward through that, I hope you are cognizant of that, whether it is in your new role or your former Governor's role.

You have 30 seconds to say whatever you want.

Ms. RAIMONDO. So let me just say, I love it that you brought that up, and I love the way you talked about it, because it is more than a job, it is their whole community.

And, you know, coal jobs are going to go away. And so what we need to do, through my department, the EDA, Economic Development Agency, is to get out there and help folks create jobs, attract other companies there, train people for other jobs, invest in infrastructure that puts people to work, and let people know they are not going to be forgotten.

Mr. ARMSTRONG. Well, thank you very much.

I yield back.

Ms. SCHAKOWSKY. The gentleman yields back.

Now I am happy to welcome for her 5 minutes Congresswoman Lizzie Fletcher.

Thanks for your patience.

Mrs. FLETCHER. Thank you so much, Chairwoman Schakowsky. Thanks to you and Ranking Member Bilirakis for convening today's hearing. I agree with all of my colleagues that it has been really interesting, very bipartisan. And, of course, that is thanks to your leadership and thanks to Secretary Raimondo.

I am so glad to hear your testimony to the subcommittee today on the Department's goals, and I really appreciated the opportunity to visit with you one-on-one a couple weeks ago on some of these issues. And I very much look forward to working with you in your efforts promoting commerce, trade, job creation, all the things that we are talking about today.

And, as Congressman Armstrong noted, one of the things about going last is that several of my colleagues have already touched on issues of great importance in my district, including manufacturing, cybersecurity, the 232 tariffs, severe weather events, the Minority Business Development Agency, which I really—I agree with my colleagues and I really encourage improving and strengthening its reach.

But with my time, as we wrap up, I kind of want to go back to something you started with and focus a little bit on the supply-chain issues. Because, over the past year, we have seen supply chains fail across many industries, from lumber to PPE, to food, to semiconductor chips—lots of the things we have been talking about here today.

I am hearing a lot, as you might imagine, of concerns about the high price of lumber and the lumber shortage here. Houston, according to the National Association of Home Builders, was actually the number one among U.S. metro areas for single-family construction permits, issuing nearly 50,000 construction permits in 2020 alone. So, as you can imagine, it is an issue of concern here.

I am also hearing about the chip shortage from people across my district, because it has such huge implications for all kinds of things that perhaps we didn't realize before.

And a lot of these issues that we are facing come from the rise of this just-in-time manufacturing, right, in which the components and products are delivered only when required, and even the smallest supply-chain disruptions, like the shortage of a \$5 chip, can derail the entire industry and just wreak havoc on the economy.

So, you know, identifying and managing these vulnerabilities in our increasingly complex global supply chains is vital, or we risk repeating a lot of the problems we have seen over the last year.

So I know we talked about the President's plan a little bit, and I would love to hear from you, you know, what you think Congress can do to help address the issues and also whether manufacturers and companies in the U.S. have effectively identified and managed the risks to their supply chains.

Ms. RAIMONDO. I am sorry. Could you just say that last bit again, please?

Mrs. FLETCHER. Sure, yes. Just can you talk about whether, in your view, manufacturers and other companies in the U.S. have effectively identified and managed risks to their supply chains?

Ms. RAIMONDO. Got it. OK.

So, first, on lumber, because I didn't realize what you said about Houston, but it makes sense to me. And, obviously, the U.S. housing sector is a critical part of our economy. It matters to every American who owns a home or wants to own a home. And the supply chain is very disrupted.

In that instance, I think a lot of it is due to COVID, because COVID created a huge demand for people to own homes. And, as I said before, there has been a lot of consolidation in sawmills, and a lot of them closed during COVID. And we are working really hard with the sawmill industry to see if we can get them to crank up again so that we can meet the increased demand.

But I hear you on that one.

I think that what we need to do a better job of—and the administration, under the President's leadership, is focused on this—is continuous monitoring of supply chains. We have learned the really hard way what happens if you don't monitor supply chains. All of a sudden, the majority of your pharmaceuticals aren't made in America, the majority of your semiconductors aren't made in America, the majority of your batteries that are necessary for power supply aren't made in America.

So, no, I don't think the private sector has done enough, but, candidly, nor have we. And so what we can do is work together to do the monitoring and then make also the investments to, you know, redevelop our supply-chain base in America.

Mrs. FLETCHER. Well, I appreciate that. And I think, to the extent that there are things we can do to be helpful in convening people and bringing people together, I think it is vitally important. We have seen it across industries.

And I just really thank you for your attention to these issues and the other things that you are doing. Obviously, we have covered a lot of ground today, but I just join all of my colleagues in their excitement about what you bring to this position and what you are bringing to our country. So thank you so much for all of your work, and look forward to working with you into the future.

With that, Chairwoman Schakowsky, I will yield back.

Ms. SCHAKOWSKY. The gentlewoman yields back.

And now we have two individuals who have waived on to our subcommittee because they were anxious to participate. First is Congressman Joyce.

You are recognized for 5 minutes.

Mr. JOYCE. Thank you, Chair Schakowsky and Ranking Member Bilirakis, for allowing me to waive on to today's Consumer Protection and Commerce Subcommittee hearing, and to our witness for appearing with us today.

Secretary Raimondo, earlier today I introduced the Advancing Gig Economy Act, which would require the Department of Commerce to conduct a study so Congress can better understand the impact of both State and Federal agencies, and what that impact is, over the gig economy, which includes new-age companies that you know clearly about, such as Uber and Etsy, Airbnb, these com-

panies that utilize technology and individual workers to provide a variety of services.

During your testimony, you mentioned that a priority for the Biden administration is to spur technical innovation. Would you support this legislation to help strengthen the gig economy by investigating the impact of State and Federal legislation on its development?

Ms. RAIMONDO. Thank you. I will certainly look forward to reviewing it and working with you on it.

The gig economy is growing. All the companies that you just said rely upon it. As Governor, I did a lot of work to regulate the gig economy but also to, you know, enable these companies to flourish.

I think studying it is a fantastic idea, because it is growing and has broad implications. And, you know, I will look at it and would invite you to chat with me about it further.

Mr. JOYCE. Thank you. I would certainly welcome that discussion, and thank you for encouraging it.

I believe that a holistic approach at the Federal level will be more beneficial than allowing States to potentially pass harmful legislation hindering this growing economic sector that you clearly recognize. Can you elaborate on the steps that you are going to take to ensure that the gig economy will continue to thrive?

Ms. RAIMONDO. I think, as you said earlier and as it sounds like your bill contemplates, studying it is important. I know Secretary Walsh at the Department of Labor is doing a lot of work on this.

What we need to do is encourage the growth of these businesses and also make sure that they provide decent jobs for people in the gig economy—decent wages, decent benefits, good working conditions. And so, you know, that is the balance that we have to strike.

Mr. JOYCE. Madam Secretary, returning to some earlier line of questioning, we recognize that President Biden recently announced a task force to address short-term supply-chain discontinuities, understanding that there is an emphasis on critical minerals and critical materials.

The announcement states, “China accounts for an outsized share of the world’s refining capacity, meaning that even if the United States were to diversify our sources of critical minerals or increase domestic extraction, we still would be reliant on China for processing before use in end-product manufacturing.”

China controls between 80 to 90 percent of the world’s critical minerals, and there is no question in my mind that the administration needs to improve coordination across government to expedite permits to mine, process, and recycle critical minerals right here at home, thus decreasing our reliance on China.

What are you as Commerce Secretary doing or will do to improve the permitting process so that we can domestically produce critical minerals and reduce our reliance on China?

Ms. RAIMONDO. So, first, I would say I share the concern. Secondly, I, you know, applaud President Biden’s leadership on this issue. He is very focused on supply chains. He has done an Executive order on it. In only 100 days, we have authored these reports, which have concrete action. So the President is keenly aware of this and directing us to do everything that we can do.

I understand the frustration as it relates to permitting. I am not sure that there is a role, really, for the Department of Commerce other than to, you know, be a convener and an advocate for the business community to make sure that processes aren't overly bureaucratic.

Mr. JOYCE. Thank you. We share that concern about the over-bureaucratic implementation that really slows down our ability to mine and process and recycle these critical elements, these critical minerals here at home.

My time has expired. Once again, thank you for allowing me to waive on, Madam Chair.

And thank you, Secretary, for being present with us here today.

Ms. SCHAKOWSKY. The gentleman yields back. Yes, we welcome you at our hearing.

And now, last but definitely not least, Doris Matsui from California, you are recognized for 5 minutes, the last 5 minutes of questioning.

Ms. MATSUI. OK. Well, thank you very much, Madam Chair.

And, Madam Secretary, thank you very much for being here for a long session.

I know many items have been discussed because here I am, the last one, but I really have to emphasize, as you know, for the supply chain, the importance of the CHIPS Act. I joined Congressman McCaul of Texas to introduce the act, which would help the semiconductor shortage by increasing American manufacturing capacity.

I included the CHIPS Act as an amendment to last year's NDAA and recently met with President Biden about the urgent need to fund the programs authorized by this bill. I was pleased to see the President's budget incorporate the American Jobs Plan, which includes \$50 billion to implement the CHIPS Act. The Senate is moving forward, I believe, with CHIPS funding as part of the Endless Frontier Act, and I think it is crucial that the House keep pace.

As we work towards our economic recovery from the pandemic, it is vital that we seize every opportunity to create American jobs and secure this technology that is crucial for innovations in 5G networks, healthcare, and computing.

Madam Secretary, how has the high cost of semiconductor fabrication plants hindered manufacturing in the U.S.? And do you believe that the grant program in the CHIPS Act can help support construction of new semiconductor fabs in America?

Ms. RAIMONDO. So, first, I have to say thank you, thank you, thank you to you for your leadership on the CHIPS Act. And I absolutely, wholeheartedly agree with you that the House needs to keep pace. Hopefully, as we speak the Senate is, you know, getting the Endless Frontier, which includes CHIPS, across the finish line. And, again, thank you for your leadership, and I do really hope the House follows suit.

And if there is anything I can do—I say this to the chairwoman, to you—that I can do to talk to Members, educate Members, allay concerns, you have got my number, because I want to help.

Ms. MATSUI. Well, thank you very much, Madam Secretary.

I am going to switch gears here.

Despite its invaluable contributions to our economy and communities, the ocean faces unprecedented threats from the effects of climate change, overfishing, and ocean plastic pollution.

For this reason, I sent a bicameral letter to the Commerce Department in support of the U.S. joining the High Level Panel for a Sustainable Ocean Economy, also known as the Ocean Panel. Given NOAA's mission of science, service, and stewardship of our ocean, I believe that the agency will be a key partner in the implementation of such efforts.

Madam Secretary, will the Commerce Department and NOAA work with President Biden to send a letter of inquiry to Norwegian Prime Minister Erna Solberg to start the process of the U.S. exploring membership in the Ocean Panel?

Ms. RAIMONDO. I will have to consult with the White House and get back to you on that and talk to you, but it seems like a worthy goal.

I will just say parenthetically, until a couple months ago I was the Governor of the Ocean State—it is tiny, but 400 miles of coastline—and agree strongly that we have to consider oceans in our work around climate change.

But I promise I will get back to you with a “yes” or “no” answer on that.

Ms. MATSUI. OK. That would be just great, Madam Secretary.

The American Jobs Plan includes billions in funding for the transition to clean transportation and American manufacturing. These investments will retain American competitiveness in building the vehicles of the future while helping the just economic transition of auto workers into the green economy.

For this reason, I lead a yearly appropriations letter with over 50 of my colleagues to secure robust funding for clean transportation technologies, including manufacturing.

Madam Secretary, can you expand on how American manufacturing investments in the FY 2022 Commerce Department budget and the American Jobs Plan will help American competitiveness in the global EV market?

Ms. RAIMONDO. Thank you.

Ms. MATSUI. And I have about 35 seconds. You do.

Ms. RAIMONDO. So the big investments that we are calling for—you know, the \$14 billion in NIST over 10 years, the quadrupling of MEP—all of this will go into manufacturing, including what you are talking about.

And it is just, as we have said so many times today, we have to make this stuff in America.

Ms. MATSUI. Right. Right.

Ms. RAIMONDO. It is not OK that we are totally reliant on other countries.

So I think the bad news is, we have fallen behind. The good news is, if we catch up now, it will create a lot of good jobs for Americans.

Ms. MATSUI. No, you are absolutely right.

My time has run out now. Thank you very much for testifying, and I will certainly be working with you on some of these items.

Ms. RAIMONDO. I look forward to it.

Ms. MATSUI. I yield back. Thank you.

Ms. SCHAKOWSKY. So, Madam Secretary, this is the moment where I say thank you, but I am not sure I can say thank you enough.

I think that, on both sides of the aisle, all members of this subcommittee really appreciated and were very impressed with your handling of all the many different questions. We talked at the very beginning about the wide scope, but it seems like you have gotten those many different topics under—with great ability to be able to speak to them and answer the questions.

And I also want to second what Kathleen Rice said. Almost to a person, you said, “I am happy to work with you on this,” “I am happy to get back to you on this.” And so it was really a wonderful hearing and, I think, was a good example of bipartisanship.

And, with that, I want to ask the ranking member, Mr. Bilirakis—I am sure you might want to comment on that as well.

Mr. BILIRAKIS. Madam Chair, I agree. It was a very informative hearing.

And I thank you so very much, Madam Secretary. And I am looking forward to working with you on all of these issues that are vital to our economy.

So I appreciate the opportunity, Madam Chair, and I will yield back.

Ms. SCHAKOWSKY. And stamina is also a good thing.

Mr. BILIRAKIS. That is right. You are right. That is for sure. She went the whole nine innings, the whole nine innings.

Ms. SCHAKOWSKY. Exactly.

Before I officially adjourn this hearing, I just want to remind Members that, pursuant to committee rules, you have 10 days to submit additional questions for the record to be answered by our witness as soon as possible.

And I ask our witness to respond promptly to any questions that you may receive.

And, at this time, the subcommittee—where is my—the subcommittee is adjourned.

[Whereupon, at 4:36 p.m., the subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

House Committee on Energy and Commerce
 Subcommittee on Consumer Protection and Commerce
 Hearing entitled “The Fiscal Year 2022 Department of Commerce Budget”
 June 8, 2021
 Questions for the Record

The Honorable Lori Trahan (D-MA)

1. The City of Lawrence to the Public Works and Economic Development Assistance Program recently submitted the *Riverwalk Future Economic Development* proposal to the Economic Development Administration. If awarded, this grant will support much-needed infrastructure improvements that will attract private investment, promote economic growth, and support invaluable quality-of-life improvements for residents of this Gateway City.

The City of Lawrence, a former textile-manufacturing powerhouse, underwent enormous economic shifts over the past half-century. The loss of much of its textile manufacturing base led to significant joblessness, shrank municipal budgets, and harmed business development. However, if funded, this proposal will enable the city to attract new employment opportunities for residents, provide a new tax base, and build vibrancy in the downtown through the creation of new residential, business, retail, cultural, and entertainment opportunities.

The City’s Riverwalk Mill Complex, located by the historic Merrimack River, has been a focus of redevelopment efforts over the past two decades. Much of the work has involved the renovation of historic mill buildings. Today, the area includes a mix of industries – from cafés, restaurants and retail shops to medical and educational services – along with market rate housing and a soon to be opened parking garage. The requested grant funding would help to catalyze even more investments by improving public access, including new streets and sidewalks, offering more park space, and supporting the necessary utility and drainage infrastructure. Ultimately, the project will support connections to a planned Merrimack River trail “Riverwalk Path.”

Access to preserved natural spaces should be universal, however in the United States, the distribution of green spaces is distributed unequally by race, and income. A Conservation Science Partners (CSP) and the Center for American Progress (CAP) report found that seventy percent of low-income communities across the country live in nature-deprived areas.¹

- a. As US cities undergo economic transitions, how will the Department of Commerce encourage the development of outdoor green spaces and family-friendly trails for recreation in low-income communities?

¹ Landau, V. A., M. L. McClure, and B. G. Dickson. 2020. Analysis of the Disparities in Nature Loss and Access to Nature. Technical Report. Conservation Science Partners, Truckee, CA.

RESPONSE: The development of outdoor green spaces could be eligible for EDA funding under the agency's Environmentally Sustainable Development Investment Priority, one of EDA's seven Investment Priorities (<https://eda.gov/about/investment-priorities/>), as long as the project has a clear economic development purpose.

EDA's Investment Priorities provide an overarching framework to ensure its grant investment portfolio – ranging from planning to infrastructure construction – contributes to local efforts to build, improve, or better leverage economic assets that allow businesses to succeed and regional economies to prosper and become more resilient.

To meet the Environmentally Sustainable Development Investment Priority, an applicant must demonstrate that the project will help communities and regions address the growing climate crisis through the development and implementation of green products, green processes (including green infrastructure), green places, and green buildings.

By including environmentally sustainable development as one of its seven Investment Priorities, EDA is encouraging communities and regions across the nation to consider these types of projects as part of their economic development strategies.

b. Is the Department of Commerce collecting and analyzing data related to the impact infrastructure such as sidewalks and drainage infrastructure have on a town's economy?

RESPONSE: The Department is not collecting and analyzing data specifically related in the impact such infrastructure projects have on a town's economy, but it does provide other relevant data.

EDA has an extensive history of collecting performance data for its awards. As part of its Government Performance and Results Act (GPRA) process, EDA collects data on job creation and private investment leveraged as a direct result of EDA-funded infrastructure projects. These data are collected from grantees at three, six, and nine years following an EDA award.

Additionally, EDA has partnered with a leading research institution to perform an independent evaluation of EDA infrastructure awards over the last decade. While that research is ongoing, a recent study is expected to result in an assessment of the economic impacts of EDA infrastructure investments on local economies, including a comparative analysis on the economic impacts of different types of infrastructure projects.

EDA has not, however, studied the impact infrastructure such as sidewalks and drainage infrastructure have on a town's economy.

The Census Bureau regularly collects and publishes at a state and municipal level data on highway, sewerage, and mass transit expenditures. It produces estimates measuring how much was spent on these activities but does not conduct any studies on the impact the expenditures have on the economies of the local governments.

The Bureau of Economic Analysis (BEA) also does not analyze this type of data; however, governments can use BEA's Regional Input-Output Modeling System (RIMS II) to assess the potential economic impact of various projects. RIMS II multipliers can be used to calculate the total regional economic effects of construction projects.

The Honorable Angie Craig (D-MN)

1. I'm pleased to see the President's Budget Request includes \$300 million for the Economic Development Administration to support locally driven economic development projects in communities across the nation – a very sensible reversal from the prior Administration, which proposed to shutter the entire agency and this work, harming jobs and job creation.

One such local economic development project located in my Congressional District is the Red Wing Ignite program, which recently received a \$750,000 i6 Challenge grant through the EDA's Regional Innovation Program – the first in Minnesota to do so.

The Administration and American Jobs Plan proposes a significant investment of \$10 billion for the EDA to establish a Regional Innovation Hubs initiative that will enable United States leadership in key technology focus areas and support regional economic development that diffuses innovation throughout the country.

How do you envision these hubs would help existing incubators like Red Wing Ignite and create good paying jobs outside of the traditional areas of tech innovation on the coasts?

RESPONSE: The Regional Technology Hubs included in the President's American Jobs Plan could receive significant investment to meet their infrastructure, workforce development, planning, and entrepreneurship needs. This would catalyze private sector investment so that these hubs can spur innovation and domestic job creation in critical sectors, such as artificial intelligence (AI), quantum computing, advanced manufacturing, biotechnology, distributed ledger technologies, advanced energy and materials science, cybersecurity, and more.

Local public and private entities would form coalitions and apply to EDA for designation as hubs and, if designated, be eligible for significant funding. Proposals for designation would be coordinated by consortia including state and local governments, institutions of higher education, labor and industry representatives, venture development organizations and others, including incubators like Red Wing Ignite.

Each hub would focus on advancing its regional capacity to support research, commercialization and competitiveness related to a key technology area. In everything EDA does, they focus on geographic diversity to include regions across the country. EDA will coordinate with National Institute of Standards and Technology (NIST) programs including the Manufacturing Extension Partnership and the Manufacturing USA Program in implementing regional tech hubs. Further, the Department is coordinating with the National Science Foundation (NSF) to ensure synergy between the proposed EDA tech hubs and NSF university technology centers.

The Senate included authorization for tech hubs in S. 1260, the United States Innovation and Competition Act, which passed with the support of 68 Senators. Ultimately, if this authority is enacted and funds are appropriated by Congress, entities like Red Wing Ignite could benefit from the concentrated investments possible under these grant programs if they are located in an area designated as a Hub.

2. Another point related to the budget request, the American Jobs Plan, and Red Wing Ignite is the role of reliable broadband.

Thanks to partner Hiawatha Broadband Communications, Red Wing Ignite is able to leverage Hiawatha's gigabit fiber optic network to spur innovation.

The end result of the innovation is local and regional economic development through new company creation and job expansion, with benefits not only to Red Wing residents but to folks throughout the region.

The gigabit applications and related services developed in Red Wing could likely be deployed in small towns across the country with similar environmental conditions.

But they need reliable, high-speed broadband internet to achieve this.

How will the American Jobs Plan's proposed historic investment of \$100 billion to bring broadband service to every American would allow more people to more fully participate in the modern economy and access job opportunities and training?

RESPONSE: As a member of President Biden's "Jobs Cabinet," I champion the Administration's call—in the American Jobs Plan—for 100 percent of Americans, including those living in rural areas, to have access to high-speed, affordable, and reliable Internet to ensure equity of opportunities for learning and earning. As a former Governor, I also agree that states have an important role to play in determining how to distribute funding to the areas that have yet to reap the full benefit of broadband in their communities.

The National Telecommunications and Information Administration (NTIA) has worked with communities across the country, through the BroadbandUSA program, to help them understand their challenges as well as the assets they can leverage as they address their broadband roadmap. NTIA also has a robust connection to states through its State Broadband Leaders Network (SBLN), a cohort of government officials representing the 50 states and three territories that focus on state level broadband and digital inclusion efforts. SBLN was consulted in the development of NTIA's grant programs and will continue to serve as a valuable resource to promote outreach and to provide us with feedback as the programs are launched.

NTIA will also leverage the National Broadband Availability Map (NBAM), which is improving our understanding of the state of broadband availability across the country, and is a tool for state and federal policymakers in determining how best to target investments. Recognizing the ability of the NBAM to support their own broadband programs, 36 states and federal agencies such as the U.S. Department of Agriculture (USDA), Commerce's EDA, the Appalachian Regional Commission, and the Department of the Interior's Bureau of Indian Affairs have partnered with NTIA on this initiative.

The Honorable Cathy McMorris Rodgers (R-WA)

1. **Thank you for appearing before us and answering our questions. During the hearing you agreed with me on the importance of advancing, and the U.S. leading, on emerging technologies like artificial intelligence, blockchain, and quantum computing. I believe it bears repeating that America must remain at the forefront of innovation and deployment of these emerging technologies.**

Madam Secretary, you also mentioned the Department of Commerce is working on the studies required by the American COMPETE Act that was enacted last Congress.

- a. **Can you please provide us with an update on the current state of these studies?**

RESPONSE: The Department has initiated efforts to complete the mandated studies. Teams are engaged in collecting background documentation and preparing a broad request for information and plans for further engagement with representatives of the respective sectors, and relevant agencies to address the required elements.

- b. **Can you please provide the Subcommittee with a timeline for when these studies will be completed?**

RESPONSE: The Department plans to complete each of the studies in the required time frame (by end of December 2021) and will issue the required reports six months after the completion of the studies.

2. **During the hearing, you committed to providing the Subcommittee with an update on your negotiations with your EU Counterparts to reestablish the EU-U.S. Privacy Shield.**

- a. **Can you please provide the Committee with an update on the negotiations you had with your EU counterparts?**

RESPONSE: Finalizing an enhanced Privacy Shield arrangement is a top priority for the Administration and a key component of rebuilding our strong transatlantic ties. The Department of Commerce is committed to working with the European Commission to quickly negotiate an enhanced Privacy Shield that addresses the Court of Justice of the European Union's concerns and enables Privacy Shield to once again serve as a valid transfer mechanism for U.S. firms to receive personal data from the EU.

During my recent trip to Brussels as part of the June 15, 2021, U.S.-EU Summit, I held constructive bilateral meetings with key European Commission leaders – including Commissioner Didier Reynders, Vice President Vera Jourova, and Vice President Margrethe Vestager – to emphasize the importance of reaching a deal on an enhanced Privacy Shield Framework as soon as possible and to promote an open, interoperable, secure, and reliable transatlantic digital economy in line with our shared democratic values. Following the U.S.-EU Summit, the White House released a U.S.-EU Summit Statement that included a commitment to work together to ensure safe, secure, and trusted cross-border data flows that protect consumers and enhance privacy protections, while enabling transatlantic commerce,

and strengthen legal certainty in transatlantic flows of personal data. I will continue to remain fully engaged on this issue until we are able to reach a resolution. At my direction, the Department of Commerce continues to prioritize the negotiations, engage with the interagency and the White House on Privacy Shield constantly, and to negotiate at the technical level with the European Commission on a regular basis.

- 3. During the hearing, I mentioned the European Union's interest in setting policies such as AI. I agree we must work with our European allies to ensure our shared values form the foundation of the technologies of the future. I worry however, that well-intentioned policies could crush innovation and cede leadership in these critical technologies to the Chinese Communist Party.**

- a. How would the European Commission's proposals, such as the Regulatory framework on AI, impact U.S. leadership in the technologies outlined in the American COMPETE Act?**

RESPONSE: The Department of Commerce is closely monitoring the draft EU AI Act. We intend to work directly with the EU to uphold our shared democratic values in the AI space by encouraging research, investment in open, but secure data, promoting privacy-enhancing technologies, and supporting innovations and uses of AI for good.

The Department fundamentally believes the potential of AI outweighs its challenges. In the global emerging technology competition, our future depends upon transatlantic and other international partners working together to embrace innovation, while simultaneously defending our shared values and interests. The Department is committed to supporting the development and deployment of trustworthy and responsible AI in line with democratic values of freedom, openness, innovation, protections for intellectual property, and respect for human rights and privacy. We welcome continued and strengthened engagement on AI with the EU, particularly in AI research, risk management, and standardization.

Within the Department of Commerce, the International Trade Administration (ITA) and the National Institute for Standards and Technology (NIST) are closely monitoring the EU's effort to develop an AI regulatory framework that takes a risk-based approach and reflects our shared democratic values, while addressing shared global challenges. NIST has been charged by Congress with developing a framework to improve organizations' management of risks associated with AI. The framework will be developed through a consensus-driven, open, and collaborative process. It will identify standards, guidelines, best practices, and processes for developing trustworthy AI systems that are reliable and secure, and for mitigating potential risks from AI systems. NIST will look to its successful Cybersecurity Framework and Privacy Framework as examples of voluntary frameworks that are highly influential and impactful across industry.

The Honorable Brett Guthrie (R-KY)

1. **Secretary Raimondo, I continually hear from employers who are struggling to attract and find individuals to employ at their business. We must get Americans back to work and supporting career development pathways and workforce education is critical for both employers and their future or current employees.**

- a. **Can you explain how the Biden Administration’s budget proposal focuses funding on the importance of getting Americans back to work while upskilling and training individuals to find work in manufacturing and emerging technology fields? Specifically, how will the Department of Commerce budget request support those efforts within the proposed 45% expansion of the Manufacturing Extension Partnership?**

RESPONSE: To meet the Hollings Manufacturing Extension Partnership (MEP) objectives of enhanced competitiveness, productivity, and technological performance, development of the talent pipeline is critical. We know the on-going hiring issues – a result of retirements, training needs, weak interest in manufacturing jobs and careers – will continue over the next decade if more coordinated efforts are not implemented. Unemployed and under-employed workers, particularly in disadvantaged communities, people of color, and women, present a large underrepresented pool of new workers that can help grow the industry.

To recruit the next generation of workers from a rapidly diversifying workforce and bring these new workers into the sector at a time of rapid technological change, small to medium manufacturers will need to (1) recruit underrepresented groups into entry-level production jobs, and (2) promote more upward mobility for underrepresented groups within manufacturing, from the skilled trades up through management and ownership.

MEP Centers currently respond to state and local workforce needs based on available Center resources and the Center’s existing ecosystem. MEP Centers bring together community assets including education providers, social service organizations, and local, state, and federal government to solve individual workforce problems by identifying manufacturers’ workforce needs and supporting effective, demand-driven training. In some states, there is a cohesive state plan integrating workforce programs. There are examples of coordinated efforts to use as benchmarks: Real Jobs Rhode Island, NJ Pro-Action Network, and Manufacturing Sector Partnerships in Ohio, Florida, and Massachusetts. In other states, the MEP Centers, along with other public and private sector providers, address needs on a more ad hoc basis. MEP’s involvement in state-based workforce programs is unique to each individual state.

With the proposed additional funding to NIST MEP, the Program will support Centers to build a skilled and diverse manufacturing workforce by positioning MEP Centers as state conveners and program leaders that amplify the impact of the workforce development system for manufacturing. The MEP Program will leverage the MEP Centers’ community connections and relationships with manufacturers to knit together the fabric of these groups to solve the many breakdowns in getting highly trained people into good paying careers. For

this, MEP will more systematically attack the problems of communities of assets, workers, and manufacturers. MEP will demonstrate success through increases in manufacturing jobs in key industries, critical technology areas, and displaced or underserved communities.

NIST MEP will position MEP Centers as regional/state intermediaries, organizing manufacturers, identifying needs, working with Workforce Development Boards and partner workforce organizations to tailor services. Through this positioning, the Centers will:

- Develop industry sector talent partnerships to define and implement training and skill development.
- Design and implement awareness campaigns to educate and entice new entrants to careers in manufacturing.
- Expand manufacturing apprenticeships and other work-based learning experiences with Federal partners, such as the Department of Labor's Office of Apprenticeship, and state partners.
- Promote advanced workforce practices to improve culture, and diversity and inclusion.
- Be the voice of manufacturing to educational institutes to develop innovative training and education program across the career spectrum.
- Convene workforce partners to be intentional about tapping into and removing barriers for underemployed and under-represented workers and supporting diversity and inclusion.

2. Secretary Raimondo, I continue to hear from home builders and home buyers in my district about lumber and building materials prices. I understand you and your team are working towards a lumber/building materials supply chain summit.

a. Can you provide an update on how those conversations are going?

RESPONSE: Thank you for this question concerning lumber and building materials prices. The prices did reach historical levels earlier this year. I understand your concerns about these prices. My team and I have been having productive meetings with a diverse group of stakeholders to try to identify the root causes of these supply chain bottlenecks and develop practical solutions. I recently addressed the National Association of Home Builders Leadership Council and have scheduled sessions with leaders from the forest products and retail industries. On July 16, 2021, I moderated a productive discussion with a diverse group of stakeholders that represented the homebuilding supply chain. Since Commerce started working on this supply chain issue, lumber prices have decreased and the market is showing signs of stabilizing.

b. Additionally, what is the Department of Commerce specifically doing to help address the rise in building material pricing?

RESPONSE: When lumber prices reached record highs in May, the Biden Administration took action by launching the Supply Chain Disruptions Task Force, and I took the lead on the homebuilding supply chain. The Task Force focuses on areas where a mismatch between supply and demand has been evident: homebuilding and construction, semiconductors,

transportation, and agriculture and food. The Task Force will bring the full capacity of the federal government to address near-term supply/demand mismatches. It will convene stakeholders to diagnose problems and surface solutions—large and small, public or private—that could help alleviate bottlenecks and supply constraints

As mentioned above, my team and I have conducted extensive consultations with stakeholders including a large convening on July 16, 2021. Commerce staff has talked to lumber producers about how to resolve challenges in acquiring equipment to expand capacity and find skilled workers like electricians and millwrights to fill high-skilled roles. The team has also been tracking announcements of new capacity across the country, building on the increase in capacity in the first quarter of 2021. In addition, the team has created processes to track prices, production and other key metrics to ensure that they are on top of the latest industry trends.

3. **Secretary Raimondo, I appreciate your commitment to work with the Energy and Commerce Committee on spectrum policy. It is critical for us to work together and make more spectrum available for licensed and unlicensed commercial use so that the U.S. can win the race to 5G. One specific spectrum-related issue I'd like to raise with you is the upcoming 3.45 gigahertz auction. This auction of DoD spectrum is planned for October, and I know those who plan to bid on the spectrum just recently got NTIA's transition plans and workbooks. I'm a little concerned that we need more transparency from both DOD and NTIA.**

- a. **What more can you and NTIA do to ensure this auction happens on schedule and is ultimately successful?**

RESPONSE: DOD and NTIA worked very hard to make this 3.45-3.55 GHz spectrum available to commercial wireless providers in practically record time, and this huge swath of valuable mid-band spectrum will greatly enhance American 5G leadership and competitiveness. My understanding is that the Federal Communications Commission remains on track to auction this spectrum in October, before the statutory deadline at the end of the year, and this is good news for wireless carriers. The transition plans for this spectrum were posted in June 2021, providing prospective auction bidders with more information for coordinating with incumbent Department of Defense (DOD) operations in the band.

In addition, it is my understanding that DOD scheduled a public workshop in July 2021 to provide a forum for interested parties to obtain additional information. The incumbent DOD operations, as I am sure you recognize, have operational aspects for which certain details cannot be made public. NTIA is working hard to safeguard DOD's legitimate concerns while seeking to provide prospective bidders with information sufficient to make informed decisions about their potential participation in the auction. Further, NTIA will continue to encourage prospective wireless bidders to provide us with as much information as they can about their anticipated 5G deployments so that we can focus on those details that are material to their auction preparations.

4. Secretary Raimondo, I wanted to ask about the administration's plans to help grow U.S. jobs through international investment. Kentucky is a top destination for some of the world's best companies – creating more than 137,000 jobs and making up 8.4% of the state's private sector workforce – the second highest concentration of FDI in the U.S.

- a. What is the administration's plan to help bring in more international investment – particularly from our allies and historic economic partners?

RESPONSE: The Department of Commerce administers the SelectUSA program, which specifically promotes and facilitates business investment into the United States. Since its inception, SelectUSA has facilitated more than \$84 billion in client-verified investment projects, supporting more than 106,000 U.S. jobs. The SelectUSA mission is to facilitate job-creating business investment into the United States and raise awareness of the critical role that foreign direct investment (FDI) plays in the U.S. economy.

SelectUSA helps companies of all sizes find the information they need to make decisions, connect to the right people at the local level, and navigate the federal regulatory system. SelectUSA also assists U.S. economic development organizations to compete globally for investment by providing information, a platform for international marketing, and high-level advocacy.

We recently concluded our annual SelectUSA Investment Summit, this year being the first virtual summit. With over 3,400 participants from all 56 states and territories and 82 international markets represented, it was the most well-attended Investment Summit yet. As the President of the United States, 8 Cabinet officials, 28 Governors, and thousands of CEOs, and other public and private sector leaders came together for the Summit during that week, the message was clear: the United States is the best place in the world to do business.

President Biden delivered remarks during the Investment Summit stating the administration's commitment to ensure that the United States remains the most attractive place in the world for businesses to invest and grow, thus creating U.S. jobs, strengthening supply chains across the country, and deepening our relationships with allies and partners. On the same day, he also announced the [Open Investment Policy](#), which reiterates this message and pledges to treat all investors fairly and equitably under the law.