

MADE IN THE USA: HOW MAIN STREET IS REVITALIZING DOMESTIC MANUFACTURING

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CONTENTS

OPENING STATEMENTS

Hon. Roger Williams	Page 1
Hon. Nydia Velázquez	3

WITNESSES

Mr. Charles Crain, Managing Vice President, Policy, National Association of Manufacturers, Washington, DC	6
Mr. Harry Moser, Founder & President, Reshoring Initiative, Sarasota, FL	7
Mr. Kurt Voss, Owner & Chief Executive Officer, The AmeriLux Family of Companies, De Pere, WI	9
Ms. Shirley Modlin, Co-Owner, 3D Design and Manufacturing, Powhatan, VA	11

APPENDIX

Prepared Statements:	
Mr. Charles Crain, Managing Vice President, Policy, National Association of Manufacturers, Washington, DC	46
Mr. Harry Moser, Founder & President, Reshoring Initiative, Sarasota, FL	59
Mr. Kurt Voss, Owner & Chief Executive Officer, The AmeriLux Family of Companies, De Pere, WI	71
Ms. Shirley Modlin, Co-Owner, 3D Design and Manufacturing, Powhatan, VA	73
Questions and Answers for the Record:	
Questions from Hon. Nydia Velázquez to Mr. Charles Crain and Re- sponses from Mr. Charles Crain	75
Additional Material for the Record:	
NEMA Letter	77

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THURSDAY, NOVEMBER 20, 2025

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 10:01 a.m., in Room 2360, Rayburn House Office Building, Hon. Roger Williams [chairman of the Committee] presiding.

Present: Representatives Williams, Stauber, Meuser, Van Duyne, Alford, LaLota, Finstad, Wied, Bresnahan, Jack, Downing, King-Hinds, Schmidt, Patronis, Velázquez, McGarvey, Scholten, Cisneros, Morrison, Simon, Olszewski, and Conaway.

Chairman WILLIAMS. I would like to welcome everybody to our hearing today, and a couple items before we actually get started.

I first want to make aware to all the Members here you have an invitation on your desk right here for a Christmas reception for the Committee, December 11, and I hope everybody can come and book that, and we will have some fun with that.

And then the other thing is we have a birthday in the house today, beautiful Nicholle.

Where is Nicholle?

Stand up, Nicholle.

So I promised Nicholle I would sing her happy birthday.

[Laughter.]

If you all want to join in, it is fine. You ready?

[Singing] This is your birthday song. It does not last too long. Hey.

Happy birthday, Nicholle.

All right. Good morning, everyone. And before we get started, I would like to—I will lead us in the pledge and the prayer. If you would stand, please.

Heavenly Father, God of all people, thank you for allowing us to meet today and discuss things that will make life better not only for ourself but those in the future, and thank you for being able to represent the greatest country in the world, the United States of America. We love you and we strive to follow you in your life and not in your shadow. In your name, we pray. Amen.

ALL. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

Chairman WILLIAMS. I now call the Committee on Small Business to order, and without objection, the Chair is authorized to declare a recess of the Committee at any time.

I recognize myself for my opening statement.

Welcome to today's hearing titled, "Made in the USA: How Main Street is Revitalizing Domestic Manufacturing."

I want to begin by thanking our witnesses for being here today.

Across the country, made-in-the-USA businesses are driving local economic growth, strengthening domestic policy change, and revitalizing communities. They build, innovate, and create good-paying jobs in every corner of this country.

Domestic manufacturing is critical to our economic strength, national security, and job creation. In the first quarter of 2025, the manufacturing sector alone added \$2.9 trillion in value to our economy and employed over 13 million Americans. Small manufacturers make up nearly three-quarters of the industry and are driving local innovation and resilience.

Revitalizing and expanding U.S. manufacturing isn't just an economic priority. It is a national imperative. That is why President Trump made bringing production back home a cornerstone of his economic agenda.

And, earlier this year, I introduced H.R. 3174, the Made in America Manufacturing Finance Act. This legislation supports President Trump's onshoring and reshoring efforts by increasing access to capital for America's small manufacturers.

By helping small businesses access the capital they need, they can modernize, expand, and compete effectively on a global scale.

In addition, technology will continue to help these small businesses modernize the industry, and advanced tools, such as automation and AI, are essential for U.S. manufacturers to remain competitive and attract a new generation of the workforce.

So, yet, small firms face regulatory burdens that cost small manufacturers nearly \$50,000 per employee, which is twice as much as large manufacturers. Washington must cut red tape so Main Street America and main street manufacturers can successfully innovate and they can grow.

All of this depends on a strong and skilled American workforce, and with 437,000 manufacturing job openings today and a projected 3.8 million new positions by 2033, we must invest in the next generation of American manufacturing.

Manufacturers need robust skills training, apprenticeships, and public-private partnerships to meet industry demand.

Programs like the Department of Labor's Registered Apprenticeships and the SBA's new partnerships with trade schools and workforce programs are helping to prepare the next generation of skilled workers to invest in America's manufacturing future.

This Committee is committed to supporting made-in-the-USA manufacturing by removing barriers to growth, strengthening supply chains, and empowering the workforce. When American manufacturers succeed, America succeeds.

So I want to thank our witnesses today for coming and joining us today, and I look forward to our discussion on how main street is revitalizing American manufacturing. The future of Main Street America is made in the USA.

So I now recognize our distinguished Ranking Member and my friend from New York, Ms. Velázquez, for her opening remarks.

Ms. VELÁZQUEZ. Good morning, and thank you, Mr. Chairman. I appreciate the Committee, and I want to thank all the witnesses for being here today.

I appreciate the Committee focusing this hearing today on the state of manufacturing, an important role that small businesses play both in our national economy and our local communities.

While manufacturing is incredibly important, so is farming and ranching. I hope we can hold a hearing on the administration's decisions on this because, as the Small Business Committee, we owe it to the ranchers in this country to elevate the harm of this decision.

According to the SBA's Office of Advocacy, the U.S. is home to over 600,000 small manufacturing firms. These small businesses create good-paying jobs, contribute over \$277 billion annually to payrolls, and supply components and products that fuel American industry, from aerospace to healthcare.

I look forward to hearing from the small businesses on our panel about their challenges and what we can do to ensure small manufacturers remain competitive and innovative despite the difficult environment in which they operate.

Unfortunately, we continue to see warning signs that policy decisions from the administration are making the environment more difficult for all U.S. manufacturers, not less. This is especially true for small businesses in this sector.

Despite the administration's claim of a manufacturing resurgence and booming economy, the manufacturing sector continues to decline.

This morning, the Bureau of Labor Statistics released job data showing the U.S. lost an additional 6,000 manufacturing jobs in September. The revised August numbers show a total loss of 92,000 manufacturing jobs over the past year, with nearly a third coming in the past months. These month-over-month decreases are a cause for great concern.

I would also like to talk about the elephant in the room. While some may call tariffs short-term pain for long-term gain, history shows that small manufacturers and their employees are unlikely to see benefits even if—and it is a big “if”—any so-called long-term gains are realized.

The Office of Advocacy further points out that when the overall manufacturing sector began to recover from earlier losses in 2010 and large manufacturers began to grow again, there was no equivalent rebound for small firms.

Once manufacturing jobs are lost, it is the small firms that are unlikely to recover. That is why we must take a holistic approach to retaining small manufacturers and their workforces rather than implement whack-a-mole policies that do not account for the disproportionate and negative impacts on small businesses.

This is most prevalent right now with tariffs. Chaotic tariff policies continue to be a major pain for small firms.

I also share the concerns of our panelists on the ability of small manufacturers to attract, compete for, and train a skilled workforce.

Manufacturing is a highly competitive labor market. According to NAM, there were 409,000 manufacturing job openings in August of

this year, and the U.S. will face a shortfall of 1.9 million manufacturing workers by 2033.

Working for small businesses, especially for family-owned firms like 3D, has many advantages. To be frank, most small businesses cannot match the pay and benefits packages that large corporations offer.

This puts small firms at a disadvantage when competing for talent as all manufacturers seek to feel the current and looming shortfalls of skilled workers.

Therefore, I look forward to hearing from the panel about these issues and additional ways we can help to create an environment that provides businesses with opportunities for success.

Thank you, Mr. Chairman. I yield back.

Chairman WILLIAMS. The gentlelady yields back.

And I will now introduce our witnesses.

Our first witness here with us today is Mr. Charles Crain.

Mr. Crain is the managing vice president of policy at the National Association of Manufacturers here in Washington, D.C. In this role, he leads the Association's best-in-class team of policy experts and advocates working to achieve legislative and regulatory outcomes that support the growth and success of manufacturers in America. Prior to this, Mr. Crain served as the Association's vice president of domestic policy.

Mr. Crain began his career on Capitol Hill working for Members of the House Committee on Financial Services and Senate Committee on Finance. Mr. Crain received a bachelor of arts in political science from Mercer University, and that is—Toby the Bear is at Mercer, isn't he?

Mr. CRAIN. That is exactly right.

Chairman WILLIAMS. Okay. Great.

I want to thank you for being with us today.

Our next witness here with us today is Mr. Harry Moser. Mr. Moser is the founder and president of Reshoring Initiative in Sarasota, Florida. Mr. Moser founded the Reshoring Initiative in 2010 to bring back American manufacturing and strengthen the nation's skilled workforce. His efforts have earned national recognition for him, including an induction into the Industry Week Manufacturing Hall of Fame and honors from Quality Magazine, The Economist, and the Manufacturing Leadership Council.

Before starting the Reshoring Initiative, he served in leadership roles at GF Machining Solutions, joining as president in 1985 and retiring as Chairman Emeritus in 2010.

Mr. Moser holds a bachelor of science in mechanical engineering and a master of science in engineering from the Massachusetts Institute of Technology, as well as a master of business administration from the University of Chicago.

I am looking forward to having your testimony and having you here today, Mr. Moser. Thank you.

I now recognize my colleague, Representative Wied from the great State of Wisconsin, to briefly introduce his constituent who is appearing before us today.

Mr. WIED?

Mr. WIED. Good morning, and thank you, Mr. Chairman.

Today, I have the privilege of introducing my constituent and friend, Kurt Voss.

Mr. Voss is the owner and chief executive officer of AmeriLux Family of Companies, headquartered in my hometown of De Pere, Wisconsin.

Mr. Voss founded AmeriLux over 20 years ago and has guided its growth from a small start-up in 2004 to a multicompany entity that includes manufacturing services, distribution, logistics, and warehousing services, and employing over 350 people.

Earlier this year, AmeriLux International announced a partnership with Brett Martin, a company based in Ireland, to form American Polycarbonate Company and to reshore polycarbonate manufacturing right in northeastern Wisconsin.

Outside of his work at AmeriLux, Mr. Voss serves on the board of directors for the Green Bay Packers and the board of trustees of St. Norbert College.

As a member of the board of trustees, he helped lead the St. Norbert Church restoration project, which is now known as the Cassandra Voss Center in memory of his daughter.

Entrepreneurs and great leaders like Mr. Voss are what make northeastern Wisconsin and the United States of America the greatest place in the world.

Thank you for joining us today, Mr. Voss. I am looking forward to our important conversation.

Chairman WILLIAMS. The gentleman yields back. I thank you for that nice introduction.

I now recognize the Ranking Member from the great State of New York, Ms. Velázquez, to briefly introduce our last witness appearing before us today.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

It is my pleasure to introduce our witness today, Ms. Shirley Modlin.

Ms. Modlin is the co-owner of 3D Design and Manufacturing, a family-owned business in Powhatan, Virginia. She studied management and accounting before launching 3D Design and Manufacturing, starting the firm with her husband, David, in 2005.

For 20 years, 3D has applied both mechanical engineering design services and manufacturing engineering design services. 3D Design employs 15 skilled engineers, mechanical technicians, and electrical specialists.

They work frequently with large corporations, supplying their high-quality products to the beverage, pharmaceutical, automotive, and space technology industries.

3D is a longtime Member of Small Business Majority and a strong and vocal advocate on behalf of small business manufacturers.

Thank you for being with us this morning.

Chairman WILLIAMS. The gentlelady yields back.

And before recognizing the witnesses, we will go over the ground rules here.

I would like to remind them that their oral testimony is restricted to 5 minutes in length. You have got a clock in front of you, so watch that.

If you begin to go over, you will hear this. [Chairman Williams bangs gavel.] And that means to wind it down. If you see the light turn red in front of you, it means your 5 minutes has concluded and you should wrap up your testimony.

So with that in mind, I now recognize Mr. Crain for his 5-minute opening remarks.

STATEMENTS OF MR. CHARLES CRAIN, MANAGING VICE PRESIDENT, POLICY, NATIONAL ASSOCIATION OF MANUFACTURERS; MR. HARRY MOSER, FOUNDER AND PRESIDENT, RESHORING INITIATIVE; MR. KURT VOSS, OWNER AND CHIEF EXECUTIVE OFFICER, THE AMERILUX FAMILY OF COMPANIES; AND MS. SHIRLEY MODLIN, CO-OWNER, 3D DESIGN AND MANUFACTURING

STATEMENT OF CHARLES CRAIN

Mr. CRAIN. Good morning, Chairman Williams, Ranking Member Velázquez, and Members of the Committee. My name is Charles Crain, and I am the managing vice president of policy at the National Association of Manufacturers.

Manufacturing is a powerhouse for American prosperity. If U.S. manufacturing were its own nation, it would be the eighth-largest economy in the entire world, and that economy would be principally driven by small businesses, which make up 98 percent of our industry.

These are start-ups with new and innovative business models disrupting markets, and they are family-owned businesses passed down through the generations as pillars of their communities.

The most important investment that Congress can make in these small businesses is smart public policy, policy that lowers the cost of doing business in the United States, policy that creates the certainty that manufacturers need to invest millions of dollars in decades-long projects, policy that puts more people to work, puts more shovels in the ground, and that strengthens our nation's hand on the world stage.

Congress has already taken a historic step in that direction with a pro-growth tax bill that incentivizes and supports manufacturing investment.

By reinforcing and making permanent the 2017 tax reform that led to record job creation and wage growth and capital investment across our industry, H.R. 1 strengthened America's leadership as a manufacturing superpower—and it saved 6 million American jobs.

Now, more must be done to unlock the benefits of this historic and transformative achievement.

This Committee has already approved the Made in America Manufacturing Finance Act to ensure that the SBA's loan programs are working as well as possible for small manufacturers who need capital to grow here at home.

This bill is a great example of how Congress and the administration can pursue what we have called a comprehensive manufacturing strategy.

That means rebalancing unworkable regulations and reforming America's broken permitting process; it means investing in our nation's infrastructure and supporting American energy dominance; it

means providing trade certainty that empowers manufacturers to make things in America; and it means investing in the manufacturing workforce of the future.

We need all of these policies to build on the success of tax reform, to unlock small manufacturing growth, and to drive a true manufacturing renaissance.

Let's start with permitting reform.

We cannot become the best place in the world to build things if it takes us 80 percent longer to permit projects here in the U.S. as compared to other advanced economies.

Unclear timelines, overlapping statutes, excessive litigation—these all raise costs for manufacturers or they halt manufacturing projects entirely.

Another roadblock to getting shovels in the ground is the burden of federal regulation. Small manufacturers spend, on average, \$50,000 per employee every single year just on compliance.

This administration has already made tremendous progress in rightsizing the federal regulatory environment, meaning that more projects will get off the ground, not get stuck in quicksand.

We also need both energy dominance and trade certainty to further unlock manufacturing investment. An all-of-the-above energy strategy that harnesses America's abundant natural resources can power manufacturing into the future, while smart trade policy can ensure that we have the inputs and the machinery that we need to make things here at home as well as the export markets to sell things around the world.

Finally, for these investments to take root, we need a highly skilled manufacturing workforce. With 400,000 jobs open across the sector, manufacturers are committed to upskilling and training programs, and we need policymakers to deliver workforce and immigration policy solutions to help us fill jobs with the skilled workers that we need.

This is the road to a manufacturing renaissance. It runs through a comprehensive manufacturing strategy, ensuring that all parts of the federal government are rowing in the same direction—toward an empowered, emboldened, exceptional manufacturing industry.

Backed by the right policy choices, small manufacturers will deliver—for our communities, for our country, and for our pre-eminence on the world stage—because when manufacturing wins, America wins.

Thank you.

Chairman WILLIAMS. Thank you.

And I now recognize Mr. Moser for his 5-minute opening remarks.

STATEMENT OF HARRY MOSER

Mr. MOSER. Thank you, Chairman Williams, Ranking Member Velázquez, and the Members of the Committee. I am honored to be here. I am Harry Moser, the founder and president of the Reshoring Initiative.

So I would first like to summarize what has been happening. Manufacturing reshoring plus FDI, foreign direct investment jobs, we track them, and they increased from about 11,000 in 2010 to 240,000 per year last year.

It is an annual rate. So compounded 25 percent per year. So it has been a very aggressive, successful trend.

About 50 percent of the jobs that come back are in small business. So the major way through reshoring to bring jobs to small business is for big companies to reshore, decide to produce products here, source the components, the tooling, et cetera, from the small businesses.

More effective industrial policy—something like what Charles recommended—can dramatically increase that rate of reshoring and FDI—perhaps double it—and if we did that, we could by, say, 2040, increase U.S. manufacturing by about 40 percent, eliminating the goods trade deficit. That is our mission.

A little background. The big companies make the reshoring decisions. There are certainly some small companies that import things, but it is basically the big companies that do most of the importing. They can make the reshoring decisions, and then the work goes to the small companies. So it is essential to convince those big companies to reshore and then feed the market.

An excellent example of this—a company I know well—is GE Appliances, headquartered in Louisville, Kentucky. They have been consistently reshoring and investing here, and they were the co-recipient of the 2025 National Metalworking Reshoring Award.

They have done a great job. They have invested—their current announcements come to a total of about \$6.5 billion dollars in investments, primarily for reshoring, primarily coming back from Mexico and China.

And as a result of that, they now have relationships with about 6,500 U.S. suppliers—mostly small companies, the kind of companies we are concerned about—across all States, and they buy about \$4.6 billion in materials, components, and services each year from those companies.

My perspective is feed the big—help the big companies reshore, the small companies will win.

The root causes of reshoring are essential to understand. In 2025, we surveyed the big and the small companies and asked them why they offshored and why they now reshore, and the biggest barrier is price.

The U.S. price, the manufacturing cost of making something here, is 10 to 20 percent higher than in most developed countries, and 50 percent higher, 60 percent higher than in countries like China, and unless we overcome that differential, companies will always be attracted to source their components offshore.

That price, that cost differential, is primarily driven by a U.S. dollar that is consistently 20 percent or more overvalued, making our cost higher expressed in common currency.

The trend in 2025 started out well, softened a little bit in April with Liberation Day, recovered, and we project the total of reshoring and FDI to be about 10 percent lower this year than last year but still about 220,000 jobs announced. So still a good year for the trend.

We believe that one of the keys to reshoring is utilization of total cost of ownership. We have companies who are starting to recognize all the costs and risks associated with offshoring, and when

they do that, they find out that much of what they now import they can reshore without government subsidies, et cetera.

For example, comparing 190 cases of China versus the U.S., the U.S. win rate goes from 8 percent based on price to 32 percent based on total cost to 46 percent if there is also a 15 percent tariff on the product.

So getting companies to do that, to use those methodologies, is the simplest, least expensive way to achieve what we want.

Some things that the U.S. Government and State and local governments can do.

The Department of Labor still pushes college for all rather than a good career for everyone. And they have charts that talk about university education pays a million dollars more lifetime income than a high school graduate.

And if they would change that to include the income of apprentices, apprentice graduates, then the parents and the guidance counselors would see that that kind of career is feasible.

Thank you.

Chairman WILLIAMS. Thank you.

I now recognize Mr. Voss for his 5-minute opening remarks.

STATEMENT OF KURT VOSS

Mr. VOSS. Hi, everyone. Thanks for inviting me to testify. I appreciate you soliciting feedback from those of us that are in the trenches with an eye towards finding additional ways the government can support, encourage, and enhance the success of small business.

We all know the positive impact that a healthy small business community can have on our society, and part of that health includes creating an environment that encourages all of us to chase our potential.

I assume you have read my submissions, but my story involves a hyper-optimistic and hyper-entrepreneurial guy—me—with a young family, quitting a very good job and deciding to take a shot at starting a business in 2004.

Twenty-one years later, our enterprise, the AmeriLux Family of Companies, employs over 350 people and serves markets throughout the United States and Canada.

For perspective, the data tells us that, of all the businesses that were started in 2004, only 20 percent of them are in business today. We feel very blessed to be one of that 20 percent.

So you have an idea what frames my mindset, we have 10 culture statements which guide and inform how we run our business. They were part of the submission to you. We wrote them not to be in Harvard business speak, but we wrote them in what we call AmeriLux speak.

One of them is, quote, “Is this a great country or what!” The statement describes an intentionality around creating a culture of optimism and positivity, as optimistic and positive teams produce greater results than negative and pessimistic teams.

If the business book said that to be successful you needed to be negative and pessimistic, I would probably be one that would try to beat the odds. But, thankfully, I don’t have to because it is good business to be positive and optimistic.

The other part of the meaning of this culture statement for us refers to this country that we have been fortunate enough to be born in. I don't believe the AmeriLux story could have been written—at least in its current form—in any other country.

This country is exceptional, meaning it is the exception. Our rights come from God, and our government is created to protect those rights.

Our free enterprise system is an extension of those individual rights. In every other country in the world, rights come from the government, and those rights can be taken away or granted based on government edicts.

So while this country is far from perfect, we have been on a continuous improvement journey for about 250 years. We operate from the premise that the glass is 80 percent full, and our focus is to help it get to 81 percent and more. So we don't spend our time with a hyper-focus on the 20 percent that is empty.

In my submission, I articulated a few items that I feel this Committee should focus on which could significantly improve things within the small business community.

To be clear, we don't assume a victim mentality when facing challenges or look to the government to solve all of our problems. I suggest a focus on the following, and I can certainly give you my two cents related to these issues.

I mentioned the easing of banking regulations and compliance costs for small banks to allow them to better serve their customers.

Obviously, capital formation is critical in the starting and the growing of businesses.

The cost of healthcare continues to escalate, and the current structure is broken. Real reform needs to take place, enabling employers and employees to obtain affordable care and for them to become better educated consumers of medical services. We don't need more insurance reform. We need healthcare reform.

Also, I am acutely aware of the importance that small business plays in providing for societal needs. The capital derived from successful small businesses benefits this country and its citizens in a variety of ways. It is literally the engine that runs this country.

In many ways, this is underpublicized, and I encourage this Committee to use its influence to magnify that point.

And, finally, in my submission, I mentioned the current situation with our newest, recently formed company, American Polycarbonate Company. It is a joint venture with a company in Ireland called Brett Martin.

We literally unplug manufacturing equipment that was being utilized in Ireland and reshore that equipment to De Pere, Wisconsin, a suburb of Green Bay. This equipment cannot be procured in the United States.

Now, I fully support the tariff strategy which has had other positive effects on our businesses. I also understand that, with all significant positive policy changes, there will be some unintended consequences. But subjecting financial penalties like tariffs on equipment needed to reshore manufacturing to the United States obviously doesn't make sense and should be corrected.

So thanks again for having me, and I look forward to your questions.

Chairman WILLIAMS. I now recognize Ms. Modlin for her 5-minute opening remarks.

STATEMENT OF SHIRLEY MODLIN

Ms. MODLIN. Thank you, Mr. Chairman and Ranking Member Velázquez and the Members of the Committee. Thank you for this opportunity to speak today.

I am the owner of 3D Design and Manufacturing located in Powhatan, Virginia, and I also am a Member of the Small Business Majority. I have been for a number of years.

3D Design and Manufacturing provides manufacturing engineering, design services, and, obviously, engineering design services. We work with large corporations in the beverage, pharmaceutical, automotive, and space technology industries.

I want to emphasize the small manufacturers being a critical part of America's economy. Large corporations rely on the small businesses like mine to solve a lot of their problems.

For example, when an assembly line at a large business breaks down, they will call us, and we will go out very quickly, diagnose the problem, make the repairment part, and actually go back and repair the machinery and equipment.

This happens very quickly to keep these lines moving in these large corporations in these big plants. So I appreciate the opportunity here to bring this to your desk.

The importance of the small business in domestic manufacturing is essential. I do tell you that small business is struggling under the current economic conditions.

We have been—3D Design and Manufacturing has been in business since 2005, and we have never experienced such turmoil. This is largely due, unfortunately, to the tariffs.

Our products are made in America, but we rely on aluminum, steel, and alloys, which are imported from Canada and Mexico.

In addition to the bottom line hit, tariffs create this uncertainty. So that is that I never know what tomorrow will hold. A 25 percent tariff, a 50 percent tariff, no tariff, a tariff on aluminum, tariff on steel, uncertain. It is very difficult in this environment to set prices for my customers. And this hurts. This hurts the small business.

While we are being battered about, we can't do that to our customers. We quote our jobs and we hold our prices for at least 5 days. If in that 5-day period prices rise, we are going to take that hit. We can't pass that on to our customers because we are in a highly competitive industry as a small manufacturer, and these customers could take their business elsewhere.

So tariffs are an essential challenge also in finding employees—after the tariffs, rather. One of our challenges is finding employees because small manufacturers have to rely on a skilled workforce. They have to hit the floor and be able to work. And there is a tremendous shortage of these workers in manufacturing.

It takes a minimum of a month to 3 months to see that employee put on the floor and begin to succeed in what they are being asked and expected to do.

We invest a great deal of money in training that employee, and, unfortunately, once the employee gets onto the floor, sometimes

they don't work out. Sometimes they are not able to cut the mustard, if you will.

So this shortage of workforce in our small manufacturing community is essential. Our 30-year veterans are retiring, and we do not have that up-and-coming skilled workforce to take their place. This is very, very important.

So to recruit positions for what we need, it is not easy. They have to have a great deal of training and experience. And unlike the large corporations, they have these employees more ready to go on the floor.

We find ourselves challenged to hire because we are competing against large corporations who offer the big, robust packages and benefits.

So I suggest that we have some interest here to ask Congress to assist by exempting small businesses, not just industries, but exempting from tariffs.

I am going to close by suggesting that we also—if small manufacturing can continue to exceed and grow in the workforce, if Congress will take a look at this small community and invest—

Chairman WILLIAMS. The gentlelady's time is up. Thank you for that.

Ms. MODLIN. Thank you very much.

Chairman WILLIAMS. You all did great. This is going to be a good hearing.

I will say this. Every now and then, you will see some people move in and out, go out doors. You haven't made anybody mad. It is just we have got a lot of people and a lot of Committee hearings going on today, so that will happen.

I now recognize myself for 5 minutes.

Mr. Crain, your organization has highlighted how excessive federal regulations stifle small manufacturers.

Can you discuss how reducing red tape would directly improve the competitiveness of small and medium-size manufacturers nationwide?

Mr. CRAIN. Absolutely. Thank you for that question, Mr. Chairman.

As you mentioned in your opening remarks, small manufacturers bear the brunt of the federal regulatory burden that our industry faces. As an industry writ large, we face about \$350 billion every year in federal regulatory cost. For small manufacturers, it is about \$50,000 per employee per year.

We don't always have in-house—I am sure the small manufacturers on the panel can speak to this—in-house counsel, in-house accountants to comply with those burdens, so you have got to hire out expensive consultants, and those are resources that are diverted from more productive uses: growing your business, investing in R&D, hiring new people, purchasing capital equipment.

These are the pro-growth activities that drive the industry, and so dollars diverted from those to regulatory burdens that don't really work for small manufacturers anyway is really wasted cost.

Chairman WILLIAMS. Thank you.

Mr. Moser, the 2025 Reshoring Survey reveals that 30 percent of regional equipment manufacturers have reshored or are working to reshore their operation in the last 10 years, and 43 percent of con-

tract manufacturers have reshored or are actively reshoring for their customers, and you touched a little bit on that.

What are the benefits of reshoring to the United States for manufacturers and for the U.S. economy as a whole?

Mr. MOSER. Thanks for asking.

For the country, it is very obvious. It is more jobs. It is less income inequality. It is better, a smaller budget deficit. It is defense preparedness. Almost everything that should be on our priority list is achieved by reshoring.

For the companies, it is quicker delivery. It is the benefit of having engineering and manufacturing close to each other, able to speak in the same language, and optimize both the design of the product and the process for making the product.

It is delivery. The survey showed that U.S. manufacturers were willing to pay 10 to—many of them were willing to pay 10 to 20 percent more for a 1-week delivery instead of a 6-week delivery. So if you make it here, you bring some extra value to your customer.

I have got a much longer list than that, but those are the primary benefits.

Chairman WILLIAMS. Thank you.

Mr. Voss, what barriers do small manufacturers like AmeriLux face when trying to adopt automation and advanced manufacturing tools?

Mr. VOSS. By the way, I would add one thing to reshoring. That is just having control of your future. As organizations are looking to build sustainable companies, you want to be able to control your future, and reshoring certainly does that and was primary in my mind of doing that.

As it relates to your question, Mr. Williams, I think it is education more than anything, not only for the workforce, but for us. I think we are all learning how we can use that automation and AI, et cetera. And a lot of us are taking fast-track courses through various sources to be able to do that and stay ahead.

At the end of the day, we are all in a competitive world and a competitive environment, and it is no different than being out in the woods with 10 of your friends and a bear shows up. You have got to make sure you can run faster than a couple of your friends. Well, it is the same thing in business. And I hope that responds to your question.

But we are going to have to do that if we are going to remain competitive for sure.

Chairman WILLIAMS. Thank you.

Last question.

Mr. Crain, small manufacturers are key to modernizing American manufacturing. So what are you hearing from NAM members about workforce development opportunities and to ensure that they can train and retain talent for the next generation of manufacturers?

Mr. CRAIN. Having skilled workers is absolutely an imperative for manufacturers, and, specifically, we need manufacturing skilled workers to fill the 400,000 open jobs that we have. These are machinists, they are technicians, they are welders, they are electricians that make our factory floors run.

And so the manufacturing industry has invested heavily in training and upskilling programs to ensure that we can meet that workforce need.

What we need from federal policymakers is to do their part: to ensure that our companies have the resources to offer those programs, to ensure that federal agencies are supporting programs, to do education efforts as low as middle and high school to talk about the promise of a manufacturing career.

There is so much to be done on the domestic workforce side and on the immigration side to ensure that we have workers and that we have skilled workers for the manufacturing industry of the future.

Chairman WILLIAMS. All right. My time is up. And I now recognize the Ranking Member for 5 minutes of questions.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Ms. Modlin, in your testimony you state that the workforce shortage is urgent and will only worsen in the coming years. The National Association of Manufacturers has also referenced this structural workforce deficit, citing the need for almost 2 million more employees over the next decade.

What could happen to small manufacturers if we do not properly invest in workforce development?

Ms. MODLIN. Thank you, Ranking Member Velázquez.

If we do not have a workforce in small manufacturing—remembering that we do not have the resources to train on the floor. They need to come to the small manufacturer ready to hit the floor with a minimal amount of training to move forward.

If we do not prepare our workforce and encourage our younger generation to come out of the technical and community colleges and come into the smaller manufacturing environment, we are going to be at a deficit.

Small manufacturers support the large plants, the large corporations. And so it is going to be a fallout if we do not have that workforce prepared, we are going to—the small manufacturers are going to suffer, which is going to fall down—flow down, if you will—to the large corporations that we support.

Ms. VELAZQUEZ. Thank you.

We hear from small businesses that the President's tariff policies are harmful in and of themselves, but also that the uncertainty and unpredictability are causing as much harm.

Can you please briefly speak to the impact of tariffs on your business?

Ms. MODLIN. Yes.

Unfortunately, tariffs do create—especially today in this environment—this unpredictability. So as I prepare for the next year, I am uncertain what I need to do, where my revenue needs to go, what my costs are going to be.

Ms. VELAZQUEZ. Thank you.

Ms. MODLIN. That is the bottom line.

Ms. VELAZQUEZ. After the tariff costs were passed on to you and your prices went up, have you seen any of those costs go back down as deals have been announced by the White House?

Ms. MODLIN. No. They do not go down. Prices do not go down.

Ms. VELÁZQUEZ. Ms. Modlin, this Committee passed legislation to raise the SBA's loan guarantee limit from 5 million to 10 million for small manufacturers. How would that impact your firm?

Ms. MODLIN. Unfortunately, it wouldn't impact me. I couldn't take on that level of debt, especially in this economy, especially with this uncertainty.

Ms. VELÁZQUEZ. Okay.

Mr. Crain, one of the aspects that you mentioned was immigration. What aspects of immigration were you referring to?

Mr. CRAIN. Thank you for that question, Madam Ranking Member.

As I said earlier, manufacturers need skilled talent to fill the open jobs that we have that both you and the Chairman have referenced.

When we think about immigration, we think about supplementing the domestic workforce. We are invested in training and reskilling that workforce, but we do still have open jobs despite those efforts.

And so having foreign-born workers both at the sort of what is called high-skilled level of scientists and engineers to design programs and design products but also with the manufacturing skilled talent coming out of career and technical education systems that are machinists and technicians and electricians, we think there is a role for immigration policy to play as we continue as an industry to invest in the domestic workforce.

Ms. VELÁZQUEZ. Well, I guess that the administration is failing in that respect because they are unwilling to deal with immigration policy, and, of course, that will have a direct impact not only on manufacturers but also farming and other aspects of our economy.

Mr. Voss, in your testimony you show that tariffs are having a counterproductive effect. These financial penalties are making your previous plan to reshore domestic manufacturing more costly and difficult. Seventy-four percent of manufacturing firms have fewer than 20 employees.

How can smaller companies deal with such dramatic cost increases if even larger small businesses are challenged in their onshoring attempts?

Mr. VOSS. Well, to be balanced, I said that there were also many positive consequences of the tariffs. We have had customers who have—their businesses have expanded as a result of the foreign competition being tariffed. Our prices actually have not gone up for the things that we bring in from overseas because the manufacturers overseas have largely ate those increases or the cost of the tariff.

Ms. VELÁZQUEZ. Interesting.

Mr. VOSS. All I would say is that we are all in competitive businesses. We have to find ways to compete. Uncertainty is all around us. Unpredictability is all around us.

Chairman WILLIAMS. The gentlelady's time is up.

Mr. VOSS. It is called being in business.

Ms. VELÁZQUEZ. It is around us every single day.

Mr. VOSS. Yes.

Ms. VELÁZQUEZ. Yeah.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Meuser from the great State of Pennsylvania for 5 minutes.

Mr. MEUSER. Thank you, Chairman, very, very much.

And thanks to our witnesses. We appreciate you making the trip and being here.

It is certainly a very important subject. Most of us up here are former small business or large business owners, and we are here to support you and hear from you today what we can best do to accomplish that.

We spend a lot of time talking to small businesses, so it is refreshing just to hear your thoughtful remarks and truly what you would like to see. If you were sitting in our seats, what would you do to assist small business.

So, Mr. Voss, I will start with you. Impressive company. Congratulations.

The tax bill that recently passed—bonus depreciation, 199A, and such—how important was that?

Mr. VOSS. Exceptionally important.

Mr. MEUSER. Okay.

Mr. VOSS. And, in fact, just to put it in perspective for the last question, the costs associated with the imperfection, I will say, in the tariff of actually tariffing reshoring equipment was more than offset by the tax implications and tax savings, which allows us to pour more money into our business.

Mr. MEUSER. Okay.

Do you work with the SBA at all at your size company?

Mr. VOSS. I have not, no.

Mr. MEUSER. Okay.

And from reshoring perspective, what are you seeing—what are you seeing—well, I guess this question would better go to Mr. Moser.

What would you like to see us do? From the regulatory front, the tax end of things is largely accomplished. Workforce? Litigious nature of things? Healthcare? What is weighing on you most? What do you think is best—

Mr. VOSS. Are you asking me or Mr. Moser?

Mr. MEUSER. I am asking you, Mr. Voss.

Mr. VOSS. Okay. Well, how much time do you have? I mean, you have a long list—

Mr. MEUSER. We can start with healthcare. Let's start with healthcare.

Mr. VOSS. You have a long list of big questions.

So healthcare is—in my opinion, we need to become better educated consumers of healthcare, period. And a lot of the reforms have been around insurance and how that works, and we need to first of all as a country understand that we are all in this together.

This isn't only on the backs of small businesses or big businesses to provide healthcare for their employees. The employees have to participate, too. And the best way they can do that is to become educated consumers.

And if we can push that, and then, frankly, put it in the hands of small business and big business instead of bureaucrats, I think we would come up with a solution.

Mr. MEUSER. And I think employer-based healthcare is so very important. At my former company, it worked out really well.

Are you familiar with association health plans?

Mr. VOSS. Uh-huh.

Mr. MEUSER. Okay. So that is something as well we are going to hope to put in our healthcare plans.

Mr. VOSS. We have gone through the whole gamut, continuing to try to stay ahead of the curve and come up with new ideas. And, currently, we are self-insured with a \$100,000 deductible plan. But we are at the mercy of medical claims, and we constantly are educating ourselves on how we can keep those claims down by being better consumers of that medical care.

Mr. MEUSER. Okay. Thank you.

Mr. Crain, from your more macro perspective of National Association of Manufacturers, is manufacturing growing? Are we reshoring? Are we expanding? And is there a particular sector that seems to be more so than others?

Mr. CRAIN. It is a great question, Congressman. I will go back to what you said in your previous question, is that the tax bill really laid the foundation for exactly the types of onshoring, reshoring, and domestic growth that we want to see across the industry, and we have seen benefits from that tax bill from the smallest of small business all the way up the supply chain.

Given the incentives that you all put in that law for research investment, for capital equipment investment, for new factory construction, that is driving capital investment. It is driving wage growth. It is driving job creation. That is what we saw back in 2017, 2018. That is what we are already seeing now early signs of.

Shortly after the tax bill passed, our quarterly outlook survey, the optimism of the manufacturing industry jumped 10 points just immediately following the tax survey—excuse me, following the tax bill. And so we expect that to continue to manifest in additional investment across the sector.

Mr. MEUSER. Sure. Taxes. Regulatory reform. Workforce. What about interest rates?

Mr. CRAIN. Absolutely. The cost of capital continues to be a significant burden for manufacturers given inflation and rising interest rates.

So anything that the Congress can do and the administration writ large to reduce the cost of capital. We already talked about the SBA legislation that you all have already approved. That continues to be an issue for manufacturing.

Mr. MEUSER. Probably the best way of bringing down inflation is for supply to exceed demand, right? The consumer purchasing is there. We need to increase the supply side.

Mr. Moser, unfortunately, I only have a few seconds left, but maybe we will get back to you on what is being reshored these days and how you see that impacting our economy.

But my time has run out, and I will yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. McGarvey from the great State of Kentucky for 5 minutes.

Mr. MCGARVEY. Thank you, Mr. Chairman.

Thank you all for being here today.

I am proud to come from a place where people still make things with their hands. I am from Louisville, Kentucky. We make every Ford F-250 and above right there in Louisville. We make Ford Escapes, Lincoln Corsairs, Louisville Slugger baseball bats made by the steelworkers in Louisville, Kentucky, right there on main street. We have got GE. We are a manufacturing hub in Louisville, Kentucky.

And so when the President actually says he has a stated goal of having more manufacturing jobs in the United States, I agree with him. That is a goal I have had for a very long time. I want more people. I want more steelworkers. I want a third shift at Ford. I want more United Auto Workers. I want more people making stuff with their hands, good-paying jobs where people can provide for their families in Louisville.

So let's talk about tariffs and how this impacts this. I have always said tariffs are neither good nor bad. Tariffs are a tool. A hammer is neither good nor bad. A hammer is a tool. It is really good for building a house. It is not so good for fixing your iPhone. Because how you use a tool matters.

And so when you see a President who is putting a 40 percent tariff on Brazilian coffee and bananas, things that don't grow here in the United States, or a 50 percent tariff on Lesotho, or a grand total of tariffs on the McDonald Islands or the Heard Islands where the population is zero unless you count penguins, this is not common sense from a guy who claims to be the President of common sense.

So let's talk about how this is impacting people across this country and how this is impacting people right in my district in Louisville, Kentucky.

Mr. Moser, if you are a company that wants to make a \$500 million investment in U.S. manufacturing but in order to make that investment you need to import a German stamping press or an Italian six-axis robot or a Japanese injection mold line, do you have to wait until we start making those things in the U.S. before you make your investment, or are you just expected to pay an exorbitant tax on importing these machines?

Mr. MOSER. We feel very strongly that the tariffs should not apply to capital equipment such as you describe.

Mr. MCGARVEY. But they do right now.

Mr. MOSER. I agree.

Mr. MCGARVEY. Yeah.

Mr. MOSER. What we should do is we should have it not apply. The rate of U.S. manufacturing labor productivity has grown at 0 to 1 percent per year for 15 years, but China's productivity is growing at 6 percent per year.

If we expect to catch up with them in terms of cost, if we expect to be competitive, we need massively greater investments in our factories, and a tariff on the machines does not allow that to happen.

Mr. MCGARVEY. Got it. And there are some things right now. To get those businesses going, you have to get them somewhere else, but the jobs are here.

I mean, I see this in Louisville all the time. We have got Bigelow Tea in Louisville. They make over a billion tea bags a year. Every

job they have is in the United States. They have got to buy the tea, because tea can't grow in the United States, they have got to buy it from somewhere else. The tariff coming in is debilitating.

We have got a great shower door manufacturer, 310 Tempering. They make glass custom shower doors. But a lot of that equipment that they have to use to make that glass comes from Italy. You can't get it here. But every single job they have is in America.

I have heard from so many companies they want to bring jobs back to Louisville—a major auto supplier who currently operates in Mexico, a cardboard manufacturer with operations in Northern Europe, and even iconic American brands like GE Appliances, as Mr. Moser pointed out.

But to set up a new factory or to expand a current one, you need machines, machines that are so specialized they are only made in a few places.

So what do you do if you need a machine and it is only made in an ally country—an ally country like Germany or Japan or Italy—where you have tariffs upwards of 15 percent? Or what if it is only made in China or Vietnam where the tariff rates go up over 100 percent and change every single week?

Mr. Crain, what can we do for a company like GE Appliances or others such as I mentioned that want to build in the United States but are facing such staggering start-up costs? Is there a way to get them relief?

Mr. CRAIN. Thank you for that question, Congressman. I think it is the right framing as we think about tariffs as a tool in the President's toolbox, as you indicated.

The most important thing that we have heard from manufacturers is rising input costs. So if you look at our outlook survey that I referenced earlier, the top concern has been trade uncertainty. The second concern is rising input cost.

Manufacturers want to make things here in America. We are committed to that vision. The tax bill incentivizes that. There is immediate expensing both for capital equipment purchases and for the factories that you are going to build or expand to put the equipment in.

So we want policies to support and encourage further investment along those lines. And I think having the tariffs be less impactful for those pieces of equipment that you are bringing in to invest here in America would be a step in the right direction, as my fellow panelists have said.

Mr. MCGARVEY. And so what I hear you saying is how we use these tariffs matters, and the way the President is using these tariffs right now, they are making things more expensive for people to buy, they are making it harder for businesses to expand, and they are making it harder for businesses to provide the things we need at a cost people can afford. Because how you use a tariff matters, and the President is not using them in a way that makes sense for American people or American businesses.

Thank you, Mr. Chairman. I yield back.

Mr. VOSS. Could I respond to that? Because what you asked is exactly what I am going through. You said, what does a business do when they are tariffed on equipment coming in from overseas? What they do is they pay the tariff.

Chairman WILLIAMS. The gentleman's time is up.

Mr. VOSS. And maybe they get invited to Washington, D.C., to talk about—maybe not necessarily throwing the baby out with the bathwater and calling everything about tariffs bad, but instead making a modification of tariff policy that applies to specific things.

Chairman WILLIAMS. The gentleman's time is up.

Mr. MCGARVEY. Using the tool correctly. Yeah.

Mr. VOSS. Right.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. Van Duyne from the great State of Texas for 5 minutes.

Ms. VAN DUYNE. Thank you very much, Mr. Chairman.

Thank you to the witnesses for joining us today.

I think today's hearing comes at a pivotal time as small business manufacturers are leading a resurgence in American manufacturing powered by new export opportunities, strengthened supply chains, major new investments, and new tools from the Small Business Administration that are helping firms to reshore and scale here in the United States.

The Trump administration is taking meaningful steps to create an environment where this revival can flourish, and House Republicans have complemented these efforts most notably through the One Big Beautiful Bill, which ensures small businesses can keep more of what they earn and reinvest in their operations and workforce.

As part of that broader agenda, and in conjunction with today's hearing, I will be introducing my Made in America Integrity Act.

This bill strengthens penalties for companies that falsely claim that their goods or services are made in America to win federal contracts, because it is that kind of fraud that directly undermines the manufacturers who actually invest in American workers. This bill protects the integrity of that designation for those who have truly earned it.

And, of course, manufacturing grows dependent on tax certainty. The One Big Beautiful Bill Act made permanent key provisions, like bonus depreciation, 20 percent small business deduction under Section 199A, and immediate R&D expensing.

Manufacturers have been very clear that without these policies we would see fewer jobs, lower wages, and slower growth. And I appreciate, Mr. Crain, you and your association's comments today.

You and your association members will know that the tax provisions in the One Big Beautiful Act Bill—One Big Beautiful Bill, particularly permanent bonus depreciation in section 199A small business deduction and the R&D expensing, have been critical to manufacturers. So can you speak a little bit to what making the 20 percent passthrough deduction permanent, what that means for small and midsize manufacturers?

Mr. CRAIN. Absolutely. Thank you for that question, Congresswoman.

Taking a step back, coming into this year, the 199A deduction was scheduled to expire, as well as so many other provisions from the Tax Cuts and Jobs Act. Our analysis showed that, had those provisions been allowed to expire, we would have lost six million American jobs. Not a cost the economy could bear, and certainly

not one that you all were willing to let it bear, which is what lead to the passage of H.R. 1.

When we think about the passthrough deduction, the 199A deductions specifically that you mentioned, 96 percent of manufacturers are organized as passthroughs. So their effective tax rate—

Ms. VAN DUYNE. What percentage?

Mr. CRAIN. Ninety-six percent of manufacturers are organized as passthroughs. So their effective tax rate is dictated by whether or not the 20 percent passthrough deduction exists. Thanks to the One Big Beautiful Bill Act, it does exist. It is made permanent. So we have a lower effective tax rate on a permanent basis that allows manufacturers to keep more of what they have earned and invest those dollars in their communities across the country.

Ms. VAN DUYNE. Thank you.

Mr. Moser, you were—I know that Congressman Meuser had asked you a question, basically what reshoring trends that you have seen and, in your experience, what motivates some companies to be able reshore operations back to the U.S. Can you just expand on that?

Mr. MOSER. In our survey this year, we asked companies—we gave them five choices of policy actions that could drive them to bring back what percentage of what they now import. And they gave nice responses for lower taxes, less regulations, lower dollar, things like that. They gave the highest priority to skilled workforce, significantly higher than any of the other things that politicians typically talk about.

And because they understand that if we are going to increase significantly in manufacturing, you need more people to do it, and you need better-trained people. Because we don't do as good a job of training our workers as, say, Germany, Switzerland, Austria, China do, where they have good apprentice programs, excellent training. So the combination of more and better-trained people is the number one priority to make it happen.

Ms. VAN DUYNE. I think that should be a wakeup call, by the way, to our universities and our high schools. And this is exactly what we are trying to take on in Ways and Means to make sure that, if you are getting federal dollars, that we are actually training a workforce that can get jobs and be successful—

Mr. MOSER. Exactly.

Ms. VAN DUYNE.—and meet the needs of our growing American businesses.

Mr. Voss, I appreciate you being here today. And I want to give you an opportunity to actually answer the question that you got stopped on during the last questioning about, you know, the tariff concerns.

I look at this as almost like a Rubik's Cube. It is tariffs trade on—and, you know, our taxes. And tariffs trade taxes being able to, like, be able to be flexible, knowing what is working, when it is working, and being able to move on a dime, as opposed to doubling down on failure is really a smart approach. What have you found as far as our tax policies and how it is being affected with other tariffs?

Mr. VOSS. Well, there is many puts and takes as it relates to an income statement of a business. Taxes are one of the takes. Tar-

iffs are one of the takes. The current tax incentives made it a put for us. So these things—we are constantly balancing those things.

My point is that—you know, I am not here as a political person. I am here as a businessperson. And no one can debate the fact that manufacturers in the U.S. have been at a huge disadvantage for decades. That has been—it started to be corrected.

We have been competing against foreign competitors since our existence. It has been very tough because of the unfairness associated with, you know, how they are treated. So it is a breath of fresh air. We are gaining business as a result of the tariffs.

Ms. VAN DUYNE. Thank you.

Mr. VOSS. We—

Chairman WILLIAMS. The gentlelady's time is up.

Mr. VOSS. The things that we buy from overseas, we have not paid a very small fraction of what the tariffs is. They have eaten most of them.

Now, on the other hand, tariffs have been bad for me because—

Chairman WILLIAMS. The gentlelady's time is up.

Mr. VOSS.—we brought in equipment that I got tariffed on that I probably shouldn't have.

Ms. VAN DUYNE. Thank you very much. I yield back.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Ms. Simon, from the great State of California, for 5 minutes.

Ms. SIMON. Thank you, Mr. Chairman and Ranking Member Velázquez, for holding this hearing. And thank you all for coming out today. This has been very thoughtful and helpful.

I am proud to represent the East Bay in California, California's 12th District, and it is a district where innovators are building technologies that will power and define both this and the next generation. From artificial intelligence that can diagnose early-stage disease to clean energy, solutions that are powering the transition away from fossil fuels, our small businesses are proving day and day that they are the backbone and the lifeblood of our economy.

This summer, I had the privilege of spending time and touring a remarkable small business in my district that manufactures autonomous maritime drones. I know, it is a thing. Maritime autonomous drones. The incredible technology this small business has designed and manufactured, however, receives components sourced from 43 States across this great nation. And this small business is a model for how businesses can create hometown jobs, drive technological advancement, and support local communities. Their story serves as a powerful reminder that when we invest in small businesses deep in our communities we are investing, truly, in the national supply chain.

But even cutting-edge technologies like these in my district face very similar challenges, some challenges that we heard today. Manufacturers across the country have been speaking out to, I think, Members on both sides of the aisle on this Committee about these challenges. How can they compete with larger businesses in recruiting and retaining a skilled workforce when employees and their families require and deserve, not only fair wages, but affordable comprehensive healthcare.

Ms. Modlin, I have a question for you—actually a couple. Do your employees use ACA Marketplace?

Ms. MODLIN. Yes, they do.

Ms. SIMON. I love when you answer quickly. Thank you. Definitely not a politician. I appreciate that.

The Kaiser Family Foundation, Ms. Modlin, estimates that nearly half of all adults enrolled in ACA, half of all adults who are enrolled in the ACA Marketplace are directly tied to small businesses.

So my second question, if the ACA's enhanced premium tax credits expire at the end of this year, which we know they likely will, with no intervention from this Chamber, how will small businesses like yours, how will you make it? How will you absorb these costs? What are these costs? Walk us through.

Ms. MODLIN. Thank you for that question.

Our employees have to be healthy. As individuals they deserve access to affordable healthcare. So without a healthy workforce, especially the small manufacturer who does not have a second person to take the place of that machinist who has become ill and needs to, you know, have that time off or doesn't have access to adequate healthcare to be able to come through that illness and come back on to the floor—so, yes, affordable healthcare—without affordable healthcare, you are not going to have a healthy workforce, and small manufacturers are going to suffer.

Ms. SIMON. You know, I want to double back on the question. If, in fact—I only have a few seconds left, but if, in fact, by the end of this year you and your employees will directly be affected by the decisions made in this Chamber regarding healthcare, what does that cost you? Are you thinking about what January will hold for you in terms of providing healthcare for your employees? What are the costs?

Ms. MODLIN. I know that I cannot afford a group health policy. That is why my employees—I work on a reimbursement program—

Ms. SIMON. Right.

Ms. MODLIN.—where I pay my employees a certain amount of money each month to help them with their premiums for healthcare. Again, I can only say that if the healthcare is not available and affordable to our employees, we cannot afford a group health policy.

Ms. SIMON. Right.

Ms. MODLIN. So we are going to have people that are uninsured, and you are going to have a loss in the workforce. It is going to be a fall-down, if you will, or a flow-down, because the employee without proper healthcare is not going to be able to come to work. We do not, in small manufacturing, have access to a second person to slip them into that job. So small manufacturing definitely will suffer.

Chairman WILLIAMS. The gentlelady's time is up.

Ms. SIMON. I appreciate your answer.

And, thank you, Mr. Chairman. Thank you for being here and expressing this real need. Thank you.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. LaLota, from the great State of New York, for 5 minutes.

Mr. LALOTA. Thank you, Mr. Chairman.

Mr. Moser, how are you doing this morning, sir?

Mr. MOSER. I am doing fine. Thanks for having me here.

Mr. LALOTA. But I understand you are the president and the founder of a company that is in the business of onshoring and reshoring?

Mr. MOSER. Correct.

Mr. LALOTA. So your business helps bring back manufacturing jobs to America?

Mr. MOSER. We are nonprofit, and we help companies understand all the costs and risks of offshoring and provide them with tools to help them make the decision and implement it to bring the work back.

Mr. LALOTA. That is noble work. How is business going?

Mr. MOSER. We don't make any money, but we have achieved a lot. As I mentioned before, the total number of jobs per year reshored has gone from 11,000 in 2010 to 244,000 per year last year. So the results are—I am pleased. I am delighted overall.

Mr. LALOTA. Great. We appreciate that work. And I don't mean to put you on the spot, but I read your biography. I see that you have a bachelor's in MIT—and a bachelor's and a master's from MIT and an MBA from the University of Chicago. So I am going to presume you are our numbers' guy on the panel this morning, if that is okay with you? I hope it is.

Mr. MOSER. Yes.

Mr. LALOTA. What do you understand about America's trade deficit internationally?

Mr. MOSER. Current trade deficit is about \$1.2 trillion; the goods trade deficit, 1.2 trillion. And it has been stable at about 4 percent of GDP for the last 15 years. And that is a huge amount. One of the results of that is that foreign entities hold about 20 trillion more U.S. assets than we hold of foreign assets, and therefore, in effect, we are net paying out interest and dividends and so on on that 20 trillion that otherwise could be invested here in our economy.

Mr. LALOTA. And on the 1.2 trillion goods trade deficit—and I appreciate you making that distinction—about what part of that is attributable to China?

Mr. MOSER. China was about \$300 billion, so about 25 percent of the trade deficit. And now, last year I think, or this year, one or the other, down to about 218 billion. So it has definitely come down because we are not buying as much. But some of what they used to ship to us directly, they ship through Mexico or Canada or Vietnam or somewhere else. So it is not quite as big a reduction as I described, but they are still huge.

Mr. LALOTA. And back to the 1.2 trillion, what would you—how far back does that go? How long has it been that big of trade deficit?

Mr. MOSER. It has been about 15—for about 15 years it has been 4 percent of GDP, which means, 15 years ago, it was maybe 900 billion as opposed to 1.2 trillion.

Mr. LALOTA. Should Congress care about these trade deficits? If they are important, why are they important?

Mr. MOSER. They are incredibly important. You know, one of the things that—one of the people I follow is Ray Dalio, “Changing World Order”—some of you have probably read—and he describes how hegemons or empires or countries rise and they peak out and they fall. And one of the characteristics of being up here and starting to fall is a declining competitiveness. When a country or an empire gets into that condition, it is not competitive, it has got too much debt, it can’t pay its bills, et cetera, that is when you can tell that you are declining.

And so by reshoring, by stabilizing, by reversing those trends, I am convinced we can stay up here nice and solid rather than entering a decline.

Mr. LALOTA. And you have explained a little the ways that, from a policy perspective, we can stabilize that negative trend and perhaps get back in the right direction. I have read some of Dalio’s material, and this is informative to me, and I am aware of some of the numbers.

On Long Island, a district I represent, we have lost a heck of a lot of manufacturing jobs. We used to have about 88,000 manufacturing jobs. Now, we are in the mid-sixties on that stuff. And we are looking for solutions towards that.

What is the benefit, in your mind, of onshoring, reshoring jobs from a quality-of-life perspective, from an inflation perspective, from an affordability perspective? Why should Congress care to promote policies that onshore and reshore?

Mr. MOSER. From a national perspective, I think at the bottom line, the defense infrastructure, the ability to produce the missiles and the bullets and the tanks and everything else we need—hopefully we will never need—but if we do need them, we have to be able to produce them, and we don’t have anywhere near the capability to produce them.

But also in terms of excellent jobs. It used to be a manufacturing job was a great job, and it is not seen as such anymore, but starting to come back. And especially as we promote the success of reshoring, the success of manufacturing, more of our youth will choose that role and have excellent careers.

Mr. LALOTA. Thank you. I appreciate you being here today.

Mr. MOSER. Thanks for your question.

Mr. LALOTA. My time has expired, Mr. Chairman. Thank you.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. Scholten, from the great State of Michigan, for 5 minutes.

Ms. SCHOLTEN. Thank you so much, Mr. Chair. And thank you so much to our witnesses today.

You are getting a lot of similar questions around similar topics, but that is because these are the absolute most pressing issues to our small businesses and particularly our small manufacturers around the country. I know that is true in my home State of Michigan where more than 600,000 manufacturing jobs are supported by over 12,000 companies. Just think about that.

The conversations we are having today is absolutely critical. How to ensure small manufacturers can thrive in an increasingly globalized economy. In west Michigan, we are home to a manufacturing plant for the only domestic supplier of the specific yellow

pigments used for road markings. Unfortunately, an estimated 96 percent of these pigments used for road markings are sourced from foreign manufacturers, including China and India, enabling our taxpayer dollars to leave the U.S. That is why I have introduced the bipartisan Paving the Way for American Industry Act, which would ensure our roads are paved using paint that is made in America.

Ms. Modlin, my first question is for you. The current administration's chaotic tariff policies—my colleague and I, Mr. McGarvey, we talk all the time about how it is not inherently good—tariffs are not inherently good or bad, they are simply a tool. The way they have been used have left many manufacturers scrambling.

What more can Congress do to protect businesses like yours and the one in my district that are critical to keeping our supply chains at home? Congress, specifically. We are here to hear from you.

Ms. MODLIN. Thank you for the question.

I have to say, to begin, exemption for small manufacturers, exemptions from those tariffs, that would be the ideal position to take to encourage the—and support the small manufacturing environment.

Ms. SCHOLTEN. I have a series of questions. I am going to kind of go through them quickly. But sticking with you, Ms. Modlin, your testimony touches on the importance of having resources to train staff. One thing I really hear about from small business owners in my district is the need for more training, resources, in addition for their guidance on how to utilize the latest technologies for their business.

My bill, the AI-WISE Act, just passed out of this Committee on a bipartisan basis earlier this week, and it would ensure that small business—the SBA specifically—adds educational content on utilizing artificial intelligence so business owners can have the tools that they need to strengthen their businesses. It is critical that we support entrepreneurs in this way.

Are you aware of any programs through the SBA that help small businesses currently embrace new technologies?

Ms. MODLIN. I have to say that I am not currently aware of any SBA programs that would directly assist the small manufacturing environment.

Ms. SCHOLTEN. And moving on—thank you for that. We are hoping to change that.

Michigan is home to a manufacturing extension partnership program that has been a critical resource for manufacturers in our State for decades. The Michigan Manufacturing Technology Center has been uplifting businesses that support—with the support of congressionally directed MEP dollars.

In 2024 alone, MMTTC helped clients increase sales by over 158 million. Think about that revenue generation. Earlier this year, the Trump administration notified MMTTC that it would not renew its MEP cooperative agreement, jeopardizing 157 manufacturers in my district, over 16,000 thousand workers.

I fought back, calling on the administration to renew the MEP agreement. And, one, as the administration later announced that they renewed this agreement, it was critical.

Ms. Modlin, I want to ask, have you had any experience with the MEP programs, and do you think SBA could collaborate with MEP centers to better assist small manufacturers?

Ms. MODLIN. I have not had direct, you know, work—I have not worked with an MEP, okay, program. But I do think, I do understand it enough to suggest that it would definitely be something that would benefit the small manufacturer. And so the answer to that is, because I have not used the MEP SBA programs, I just can suggest that it would be beneficial in the small manufacturing environment.

Ms. SCHOLTEN. Okay. That is very helpful.

My time is up, so I yield back. Thank you.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Wied, from the great State of Wisconsin, for 5 minutes.

Mr. WIED. Thank you, Mr. Chairman. Thank you to all the great witnesses here today. This is a very good discussion and very important to, you know, our priority in reindustrializing this great country. And I think—I just really appreciate all of your, you know, expertise.

In my district, from paper to shipbuilding, plastics to heavy manufacturing, northeast Wisconsin is a manufacturing powerhouse, employing almost a quarter of the working population. In my district also, 90 percent of all manufacturers are small businesses.

We obviously have a lot of challenges. Some of the challenges that we face are difficulty in finding skilled workers. And, of course, we see a declining interest in our trades, and so, obviously, that is one of the major issues that we are dealing with.

First question I would like to go to, though, Mr. Voss, in your statement, you talked about the companies that you work with overseas, in your experience, that you said were eating the cost of tariffs. Can you expand on your experience in working with other companies in importing and the cost of tariffs?

Mr. VOSS. Sure. So through the years, you know, we have imported from manufacturers abroad. We still do a much lesser percentage of the goods that we distribute. It comes from foreign sources. But the ones that we continue to do now, we have not seen an increase in our costs because we have pushed back because, frankly, if they would have put the burden of the tariffs on us, they would have no longer been competitive. So in that case, the tariff did exactly what it was supposed to do in that they took a smaller slice of the pie rather than passing it on to the consumer here.

And moving forward, we are seeing input costs, polycarbonate resin, for example, the cost of that is coming down. And that is going to be—that is reflected in our pricing to our customers and our customers' pricing in the marketplace.

Mr. WIED. What would be the cause of those prices coming down? What would be the reason for that?

Mr. VOSS. Well, first of all, competition. Second of all, they are petroleum-based, and the cost of petroleum has come down over the last couple of years—or the last year for sure. Not couple.

Mr. WIED. Well, and I also want to expand on your experience that you have right now in partnering with the Irish company to

reshore the polycarbonate manufacturing. How has controlling your supply chain benefited you? And tell us about that experience.

Mr. VOSS. Well, a good example, and I tell this story. You know, we had—we were the master distributor for a couple of very large manufacturers, big companies. And we periodically get the dear valued customer letter that the price is going up due to various things that they articulate in the letter.

Well, it was just at that time that we were having a routine review of our business model with our newfound partner, and our deal was that we were going to buy from—in other words, the polycarbonate manufacturing company sells to one of—our company too, our sister company. And we were talking about the pricing along that. And we were pushing back because the pricing had come down a little bit since the last time we had reviewed this. And at the same time, at the same week that we got letters from two of the major manufacturers saying that the pricing had gone up, in talking to our partner who buys polycarbonate resin at one of the biggest polycarbonate manufacturers in the world, they said, well, that is not surprising because the cost of resin has actually come down. We wouldn't have known that as a distributor, but as a manufacturer we do know that.

So, again, having our future in the hands of either foreign companies or companies that maybe are owned by private equity are different than having control of your own future. And so that was a big driving force in our strategy.

Mr. WIED. Well, how—in your opinion, how are manufacturers—you know, what is their ability to reshore, expand their operations? How are they hurt by overregulation?

I hear about regulation. I was in my own business for 30 years. I struggled with overreaching government regulations on a daily basis. Very, very costly, to \$50,000 per employee. Can you expand?

Mr. VOSS. Well, all I can say is, you know, my experience is that, you know, what starts off as a good idea morphs and evolves. And you have people that are implementing those policies and procedures, and they get overzealous and they want to justify their existence. And those bureaucracies continue to increase. And many times the regulations expand beyond what the original scope was intended to be. We haven't, frankly, encountered that to a large degree. So it is hard for me to comment specifically on that.

Mr. WIED. All right. Thank you again to all the witnesses. With that, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Olszewski, from the great State of Maryland, for 5 minutes.

Mr. OLSZEWSKI. Thank you very much, Mr. Chairman, to our Ranking Member. And to all our witnesses, I appreciate you all being here today and to discuss how we can advance domestic manufacturing for American workers and families.

Mr. Moser, I believe both you and I grew up watching businesses support our neighbors and families. Some of those businesses, unfortunately, being removed from global offshoring.

My story involves growing up in the shadow of a steel plant in eastern Baltimore County. It was a Bethlehem Steel site. It was a site that produced steel used to build ships in world wars, parts of

the Empire State Building, the Golden Gate Bridge, the Chesapeake Bay Bridge. We employed, roughly, 31,000 steelworkers and other employees at the heyday of the plant. I also watched that plant collapse over several decades, and the fallout from people losing their healthcare, losing their pensions after giving a lifetime of service to that manufacturing here in America.

So we do need to uplift the American manufacturing industry. Clearly, I was shocked when we saw the tariff policies of this administration take place. I agree with my colleague, Mr. McGarvey, earlier, that this is a tool that can and should be used in important and critical situations. I would have loved to have seen action with tariffs when China was dumping steel, very cheap steel, that really put and pushed that plant towards its closure. And so certainly welcome the conversation but think that tariffs need to be thoughtful as we do that.

In 2023, through both the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, that steel site that I spoke of earlier received investments to become Maryland's first permanent offshore wind turbine factory under a new name, Sparrows Point Steel. Sparrows Point Steel produces the monopile foundations and other steel components that is needed for Maryland offshore wind projects and has the capabilities to serve as the entire U.S. offshore wind market on the East Coast. It is a job-creating engine there that has the potential to put thousands of people to work, not in China, not in Europe, but right here in America.

And my concern is, after we have already gone through this experience where we have seen a steel plant shut down, we are now on the cusp of having a revitalization of manufacturing in my district. We are seeing an administration playing political games with arbitrary tariffs but also skyrocketing healthcare costs and even trying to cancel support for the very projects they profess to believe in—manufacturing.

This administration pulled back a \$47.4 million grant from this project, jeopardizing it. How is that making America great again?

More recently, we are also dealing with the fallout from the collapse of the Francis Scott Key Bridge. It is a critical lifeline, not just for Maryland and the mid-Atlantic, but for moving goods throughout this country.

And so I stand ready to continue advancing opportunities in legislation to encourage manufacturing and working on training that was mentioned earlier and, of course, look forward to those productive dialogues. So I have a few questions on that because I am also concerned about the impact of tariffs on that critical infrastructure project.

So, first, on the bridge, clearly, steel and other components are a big part of that construction. Would the panel here support exemptions for large-scale American infrastructure projects that will rely on tariff goods that are going to drive up costs for businesses, consumers, and taxpayers alike? Is that something that we think we could be supportive of in that work?

Mr. MOSER. Exemptions from what?

Mr. OLSZEWSKI. Large-scale infrastructure projects, such as the rebuild of the Francis Scott Key Bridge in Baltimore.

Mr. MOSER. Well, I agree that all those components should be sourced in the U.S.

Mr. OLSZEWSKI. And if not, though, should steel or other products, if they are not sourced here, should they be charged a tariff?

Mr. MOSER. Yes.

Mr. OLSZEWSKI. You think they should. Okay.

And then, regardless of where the tariffs are coming or your positions on tariffs, I am just curious for the panel here, going back to that grant for Sparrows Point Steel, do you think we could or should look at ways to use that tariff revenue to support those projects rather than pull that funding from them?

Mr. VOSS. That is a policy question. You have got a million different projects and a lot of hands out. You have got to decide where it best goes.

Mr. OLSZEWSKI. Well, in general, should we be—but should we be investing in—

Mr. VOSS. Should we be investing in—

Mr. OLSZEWSKI.—manufacturing in the United States when we have these kinds of opportunities to reintegrate manufacturing in the United States?

I mean, is it good policy to pull awards when we have a \$500 million manufacturing project on the books and it is moving forward to then pull that funding?

Mr. VOSS. I don't know enough about it to respond.

Mr. OLSZEWSKI. All right. Thank you, Mr. Chairman. I yield.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Ms. King-Hinds, from the Northern Mariana Islands, for 5 minutes—from the great Mariana Islands.

Ms. KING-HINDS. Thank you, Mr. Chairman. And thank you to all of you for making time to be with us today.

I am from the Marianas, and, you know, we have one economy. We are trying to diversify to get—because we have seen a lot of interest with regards to manufacturing, right, folks, who want to come and set up shop there. So I am very focused on the conversation with regards to retaining the right amount of workforce to be able to sustain manufacturing, because that is our biggest challenge.

And so we have talked about the problems, right. I think a lot of you have kind of alluded to different things. I am kind of more focused on, what is it that Congress can do to actually address the problem, so that, you know, however many years from now, we don't have this massive amount of shortage, right, that can't sustain your industry?

And I will open up the floor to whoever wants to answer first.

Mr. VOSS. I can go first here. I was just going to say, we haven't talked that much about healthcare, and we know about these credits that are expiring. I just don't think we should keep subsidizing a broken system. The healthcare system is broken. We need a new strategy. So to the extent that we continue to tax ourselves to pay for a broken strategy—and then us employers, it costs us more to provide health insurance for our employees—that is what has got to stop.

So this isn't about whether or not to extend the credit on a failing system. Throw out the system and start over and find a system that works and is cost-competitive with the rest of the world.

Mr. MOSER. Well, I can put that in perspective. It turns out that the average healthcare cost of a family of four in the U.S. equals the average wage of a Chinese worker. And the healthcare cost of a family in the U.S. gets built into the burden, that gets built into the cost, that gets built into the price. And, therefore, the higher healthcare costs in the U.S. is a major reason why our costs are too high and why we lose, based on cost or price, relevant to countries like China. So I agree entirely that something has to be done.

Ms. KING-HINDS. Can I follow up then? So are you attributing that cost to the inability to retain workforce?

Mr. MOSER. It makes our costs—the cost of making a product too high in the U.S. relative to other countries and, therefore, U.S. companies choose to import low-price products from offshore instead of buying higher priced more or less equivalent products here in the United States.

Mr. CRAIN. So I think there is two angles here. One from the healthcare perspective; certainly, manufacturers view that as a critical tool to attract and retain talent. Across the industry, 95 percent of manufacturing workers are eligible for a workforce healthcare plan through their employer. North of 80 percent actually participate in one.

We have certainly heard, as has been referenced from our Members, that the rising costs of healthcare are a significant cost driver for manufacturers. And so it certainly would help with the workforce situation to reduce those costs.

On sort of pure workforce policy, we certainly should support more training programs and apprenticeships. We have talked some today about education about what the manufacturing industry is. It is not your grandfather's manufacturing industry anymore. It is not dark, dirty, and dangerous. It is cutting-edge, it is innovative, it is well paid. These are family-sustaining careers.

And so if we are supporting career and technical education programs to get manufacturing workers out of the CTE programs and onto manufacturing shop floors, that is a huge step in the right direction of building the manufacturing workforce of the future, in addition to immigration policies that help us fill the jobs that we might not be able to fill with the domestic workforce.

So there is a lot of pieces to that puzzle to ensure that we have the skilled workers that we need to drive manufacturing forward.

Ms. KING-HINDS. Okay. I have a follow-up question for you, Mr. Crain. So, you know, in your testimony, you describe how large companies often have the resources to maintain internal training programs that small businesses lack, and you mention the need for policies that would allow small businesses to close that gap. Can you just be a little bit more specific so that we get an idea of what your thoughts are on that issue?

Mr. CRAIN. Absolutely. What we have heard from so many of our Members is that they actually partner with local community colleges, CTE institutions to set up training programs or to even

just ensure that the existing programs that that community college has are reflective of the skills that manufacturers need.

And so from my perspective, continued focus on those skills specifically, and in helping prospective students or adults who want to go back to school, or even adults who are employed who want to gain those skills, that we are really focusing from a policy apparatus on manufacturing-specific skills; so machinists, technicians, welders, electricians, et cetera. If you have those certifications, that is going to set you up for success in manufacturing and help the industry writ large.

Ms. KING-HINDS. I am out of time. Thank you, Mr. Chairman. Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Cisneros, from the great State of California, for 5 minutes.

Mr. CISNEROS. Thank you, Mr. Chairman. And thanks to our witnesses for being here today.

Ms. Modlin, I am going to start with you. My colleagues always like to say that whenever they ask small businesses, not one says we need more regulation. However, they ignore that small businesses share their primary concern in cost and the uncertainty from tariffs.

Whenever I ask small businesses, not one says they want to pay more for supplies or increase their costs. Do you want to pay more for your supplies? Have you ever heard of any small business owner saying they want to increase their costs?

Ms. MODLIN. Thank you for that question.

No. We don't want to increase our cost. And I cannot fathom another small manufacturer wanting an increasing in costs.

Mr. CISNEROS. Yeah. So can you—what impact are the tariffs having, and the uncertainty?

You know, I brought up in a markup yesterday, right, all the small businesses in my district, the one thing they just say that they want is stability, stability. But yet when the President decides he is going to raise tariffs 10 percent on Canada because he don't like a commercial he saw during the World Series, there is no stability there.

What impact is the tariffs having, you know, with you and the other small businesses that you know of?

Ms. MODLIN. The impact of the tariff is—first, you are absolutely right, it is unpredictable what is going to happen tomorrow, okay, on the tariff side. We have to set prices. And we have customers that the price is set and they are not going to accept an increase in price. Once price increases, it is not going to really come down.

So the unpredictability in this tariff situation is—is really puts us in—as I had said before, I am trying to predict and forecast into 2026 at this time, and I am finding it very difficult to do because I don't know what to expect. And because I use several different types of alloys and different types of metals, and the tariffs are possibly suggested to be—aluminum tariff might be 25 percent today, might be 45 percent a week from now.

One of the most expensive tariffs I have is the carbide. Carbide is used in tooling that goes on all of the equipment that I use to

cut the metal. So carbide right now is under 90 percent tariff. So the tooling that I use is almost unattainable.

So the bottom line is small manufacturers don't have big margins, we don't have a lot of cushion. So this unpredictability in the tariff policies is really causing us to question sustainability.

Mr. CISNEROS. All right. Thank you.

Mr. Crain, in your testimony, you shared that in the National Association of Manufacturers Outlook Survey, trade uncertainty, rising raw material costs, and increasing healthcare costs topped the list of concerns.

If there was a way for you to share those concerns with the SBA Office of Advocacy and they then advocated research and did—or did whatever they could to raise those concerns across the federal government, would you welcome it?

Mr. CRAIN. Absolutely. The Office of Advocacy is a critical voice for small manufacturers within the SBA and within the federal government writ large.

Mr. CISNEROS. Well, thank you very much for that. And so, you know, we are in the process of putting forth a bill that will do that, will allow business owners to come forth, and to raise their concerns when it comes to immigration, tariffs, as well as healthcare concerns for businesses. And, hopefully, that will be welcomed by business owners there. So you can share with them, and then have the Office of Advocacy come out and report to us what input they are taking in. So that is coming in the future.

And with that, Mr. Chairman, I yield back.

Chairman WILLIAMS. The gentleman yields back.

And I now recognize Mr. Stauber, from the great State of Minnesota, for 5 minutes.

Mr. STAUBER. Thank you very much, Chairman Williams and Ranking Member Velázquez, for holding today's hearing. And thank you to all the witnesses for lending your insight into the resurgence of America's manufacturing space.

Minnesota's Eighth Congressional District lives and breathes manufacturing, from the iron ore on the iron range that feeds our steel mills, to the small shops and fabricators in Duluth, Hibbing, Brainerd, Forest Lake, and across northern Minnesota. Manufacturing is our neighbors' livelihoods.

When production moves overseas, it is a lost paycheck, a shrinking tax base, and one more young person who decides there is no future for them in the trades back home.

Nationwide we are reminded that manufacturing is overwhelmingly a small business story. As Mr. Crain notes, 93 percent of manufacturers have fewer than 100 employees, and 75 percent have fewer than 20. These are the kind of employers we are talking about today—family-owned shops and small firms that are innovative but are also the most sensitive to tax hikes, regulatory costs, and permitting delays.

The One Big Beautiful Bill Act gave us a permanent, pro-growth Tax Code with tools like immediate expensing and passthrough deduction and higher estate tax exemptions so family manufacturers can keep investing, hiring, and passing their business on to that next generation.

Mr. Crain, for these small businesses, what are the top one or two policy changes beyond the Tax Code that will help them turn that tax certainty into actual investment and new equipment and jobs on the ground?

Mr. CRAIN. Thank you for that question, Congressman.

I would turn your attention to permitting reform. As you indicated, the tax bill has a number of incentives for manufacturing investment. But if you can't get the permit to get that investment off the ground, then the tax bill hasn't had the maximum pro-growth effect that we would have wanted it to, right.

And so with respect to programming reform, if we can reduce the timelines for permitting review and approval, then that gives manufacturers more certainty to invest in these long-term projects. And if we can reduce the uncertainty associated with never-ending litigation on the back end through judicial reform, both of those things would improve the permitting process here in the U.S. Those are both governed by the National Environmental Policy Act, NEPA.

There is actually a bill, funnily enough, being marked up today at the Natural Resources Committee called the SPEED Act to do exactly that. So it is thrilling to see that we have momentum in the direction of permitting reform to build on the success of tax reform.

Mr. STAUBER. Thank you, Mr. Crain, for mentioning the SPEED Act. I just left the Natural Resources—

Mr. CRAIN. There you go.

Mr. STAUBER.—Committee in support of that. And that is going to pass in a bipartisan fashion. I really appreciate you bringing that up because permitting reform is a high priority for all industries. Thank you.

You know, we have talked about the conditions small manufacturers are facing here at home. I want to zoom out to the decision point where companies choose whether to keep chasing the lowest offshore price or bring production back to the United States.

Mr. Moser, your testimony shows that reshoring and foreign direct investments have grown from just a trickle to hundreds of thousands of announced jobs a year, with roughly half of those in the small supplier community.

From your experience, what are the main reasons companies decide to move production back to the United States, and what more can we in Congress do to push large OEMs to deliberately bring more of the supply chain back to the small U.S. manufacturers in places like my hometown and my district, northern Minnesota?

Mr. MOSER. The main reasons they came back, they say, are, first, having manufacturing near engineering, so the small manufacturer can work with the big company and communicate, work together, partner. The second was duty and freight. And third was geopolitical risk, the risk of something happening over Taiwan and being cut off for 5 years or something from your supply chains. So we came out with a geopolitical risk map that shows the probability of decoupling with each country so the companies can calculate the risk of not reshoring and justify somewhat higher prices here.

In terms of actions that you can take, one of the things in terms of the tariffs is to firm up the tariffs. Especially for the big compa-

nies, they are thinking about investing a billion dollars and taking 3 years to build the factory and 6 months to hire people. And if the tariffs could go away halfway through that process, the guy who decides to do it gets fired.

We need to firm the tariffs up, make them solid, make them such that they are going to last at least through this administration, preferably the next, so the companies will believe and they will act.

Mr. STAUBER. Yeah. You know, you talk about tariffs. The 232 steel tariffs that both President Trump in his first administration and then President Biden, they kept the 232 steel tariffs on because we know the Belt and Road Initiative of the Chinese Communist Party is to destroy our steelmaking and our mining industries here in the United States. Remember, we can't do that. We need certainty we can lead the world.

So with that, Mr. Chair, I yield back.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Dr. Morrison, from the great State of Minnesota also, for 5 minutes.

Ms. MORRISON. Thank you, Mr. Chair. We are having a Minnesota minute here.

Chairman WILLIAMS. The queen of Minnesota here.

Ms. MORRISON. I appreciate you, Chairman Williams and Ranking Member Velázquez. And I am very honored to occupy her seat for the moment for holding this hearing. And thanks to the witnesses for being here today to have this important conversation.

I have been hearing from so many small businesses—small business manufacturers, specifically, in my district and across Minnesota about how the tariffs—the Trump administration's tariff policy are making it impossible for them to plan and to grow as they work to navigate this level of unprecedented uncertainty.

And I do just want to know, Mr. Crain, you mentioned that tariffs are a tool in the President's toolbox. And I just—this administration is doing many unprecedented things that should not be normalized. And I just want to take the moment to remind all of us that tariffs should be a tool in Congress' toolbox according to our Constitution.

Mr. Crain, the National Association of Manufacturers Outlook Survey found that trade uncertainty is American manufacturers' top concern for three quarters, essentially since the start of the year. Yet there is limited—you didn't talk so much about tariffs in your testimony or about concerns or proposed solutions around that.

I just want to give you the opportunity now to speak to the National Association of Manufacturers recommendations to address the impacts of tariffs and uncertainty on its small business members.

Mr. CRAIN. Thank you for that question, Congressman.

I will start with the uncertainty piece, which is that manufacturers need certainty to plan for the long term. That is true with respect to tariffs. It is also true with respect to regulations. It is true with respect to tax. And so a lot of the policies that we have supported as an industry are designed to provide manufacturers, especially small manufacturers, with that certainty so they can make those long-term job-creating investment decisions.

With respect to tariffs specifically, the conversation we have had today I think is really instructive. With respect to how tariffs are a tool in policymakers' toolbox, the dynamic that we have heard so often from our members is that they want to invest here in America, which is a goal that we obviously share with Congress and share with the President to grow domestic manufacturing. But if you need an input from elsewhere to do that, there can be costs associated with that under the current tariff environment. In many cases, that specialized equipment and machinery that comes from elsewhere, in some instances it is raw materials, it is energy resources, it is critical minerals.

So what we have focused on is ensuring that manufacturers can bring those inputs and machinery here to make things in America, and, in fact, tying that to your ability to make things here in America, which we think would allow the administration to maintain a tariff—a strong tariff environment but also allow manufacturers to make things here in America.

Ms. MORRISON. Thank you for that.

Today, I am introducing the Small Business RELIEF Act, which would exempt small businesses from President Trump's baseline global tariffs and provide refunds to small businesses that were forced to pay them. I am wondering if any of you have a perspective on that idea.

Mr. VOSS. Can you repeat exactly what the bill would do?

Ms. MORRISON. Sure. It would exempt small businesses from President Trump's baseline tariffs, so liberation day tariffs, and then provide refunds to the small businesses that were forced to pay them.

Mr. VOSS. How do you define small business?

Ms. MORRISON. By the way the SBA defines them.

Mr. VOSS. Which is how?

Ms. MORRISON. It depends on the industry, but it is usually less than 500 employees. I think less than 7.5 million in revenues.

Mr. VOSS. You guys have an opinion on that?

Ms. MORRISON. Something to ponder.

Mr. MOSER. I will throw in an opinion. First, it is a nice idea, but my fear—

Ms. MORRISON. Thank you.

Mr. MOSER.—would be that instead of the big companies importing material, they would have their suppliers import the material, claim exemption under the Small Business Act, and then sell it up to the big companies, and they would have avoided—they would have made the tariffs totally ineffective. Unless you have something in it to prevent that from happening, then that would be a concern.

Ms. MORRISON. Okay. Thank you.

Mr. VOSS. I could add too. I think, with all due respect, you are exaggerating the effect on small business and the negative effect on tariff. We haven't had a negative effect; we have had a positive effect. We have customers that are able to compete more effectively so they buy more product from us.

Ms. MORRISON. Respectively, sir, that is not what I am hearing from small businesses in my district.

Ms. Modlin, could you speak to the National Association of Manufacturers' proposal, the U.S. Manufacturing Investment Program, what that would mean for small businesses like yours?

Ms. MODLIN. Thank you very much for the question.

National Association of Manufacturers in any way, shape, and form to assist the small manufacturing environment would be welcomed. So I can say that I would definitely encourage some conversation to include the small manufacturing industry.

Ms. MORRISON. Thank you. Thank you.

And I see my time has expired. I yield back. Thank you, Mr. Chair.

Chairman WILLIAMS. The gentlelady yields back.

I now recognize Mr. Downing, from the great State of Montana, for 5 minutes.

Mr. DOWNING. Thank you, Mr. Chair. Thank you for holding this hearing. And thank you to the witnesses.

I wasn't planning on talking about health insurance at all, but some of the comments by Messrs. Voss and Crain kind of just sparked some thoughts here.

You know, one of the things, Mr. Voss, that you mentioned is you didn't want businesses or taxpayers through tax credits to be paying into a broken system. And one of the things I just want to be clear on that is the tax credits that have gotten so much press the last couple of months, these enhanced premium tax credits, only affect the individual market. So that is not affecting, you know, the small groups which, you know, is probably mostly what you are talking about in terms of the costs for an employer for a small business.

But what we have seen—we do have a broken system, and those premium tax credits are trying to, you know, mask a broken system. But what we have seen are 15 years of rising provider costs, 15 years of rising drug costs. And because of that we have seen 15 years of adverse selection which has concentrated the risk, which is driving those costs up. But I agree with you 100 percent, small businesses and taxpayers shouldn't be bearing the brunt of those costs. So I appreciate those comments.

Now on to my prepared remarks.

You know, first of all, I am going to start with you, Mr. Crain. In your testimony, you mentioned that 44 percent of U.S. manufacturers plan to increase their AI and smart factory technology investments this year. What areas of manufacturing business operations has AI technology been the most effective in streamlining?

Mr. CRAIN. We have really seen this across the industry, and thank you for that question. You know, I know a lot of times folks think about Silicon Valley when they think about AI, and I understand why that is the case. But it really has been transformative for the manufacturing shop floor. It is making workers more productive. It is making supply chains more efficient. It is making shop floors safer for those workers. We have really seen it across the industry.

From a small business perspective, we want to make sure that small businesses aren't left behind from this transformative activity.

And so anything we can do to ensure that they aren't burdened from seeking to adopt or understand these technologies will be a huge step in the right direction——

Mr. DOWNING. And what do you see is the biggest hurdles for manufacturers in adopting AI technologies and incorporating these into their business?

Mr. CRAIN. So if you look at the present AI action plan, which is designed to support American AI dominance, which is obviously a goal I—that NAM supports, I assume many of you do as well—he is focused, and we are as well as, preventing one-size-fits-all regulations. There are certainly risks associated with AI, but those are risk case-specific risks. Manufacturers using AI to make their supply chain more efficient doesn't present the same risk as generative AI, for instance.

And so we want to be sure that any regulations that are applied to the AI space don't impact manufacturers' ability to invest in this technology.

Mr. DOWNING. Obviously, AI is going to have incredible power demands moving forward, and we need to be able to power this. We need the energy production in the United States.

What should Congress do to support increased energy production so that we can fuel this economic growth?

Mr. CRAIN. So manufacturers are both producers and users of energy. We are disproportionately users of energy because of the energy-intensive nature of manufacturing production. And that is even more true thanks to AI. So we need an all-of-the-above energy strategy. We need to unleash America's natural resources; think offshore and onshore leases. We need more investment and critical minerals to improve battery technology. We need to invest in nuclear fuel so that we have more baseload power generation.

But it is not just production, it is also transmission. Do we have a reliable, resilient, affordable grid that can get the electrons where we need them to go? And, finally, do we have permitting reform to get these energy projects off the ground to ensure that we can invest in these energy resources that we need to power our industry?

Mr. DOWNING. Thank you very much. Running out of time quickly here. Thank you for those answers.

I am going to move to Mr. Moser. Thank you for being here today. In your testimony, you highlighted a survey from this year showing that manufacturing costs are, on average, 50 percent higher in the United States than in China.

What have been the most effective policies and arguments to overcome this financial incentive to offshoring, convince businesses to—or I am sorry—yeah, to convince businesses to return their manufacturing operations to the U.S.?

Mr. MOSER. What has probably been the most——

Mr. DOWNING. Microphone, please.

Mr. MOSER. What has probably been the most effective so far, I would say—I believe the tariffs are starting. It is a difficult start, but starting to become effective. In the long run, we advocate most strongly the use of total cost of ownership instead of price for making the sourcing decision. And if all the Congressmen and the President were to urge their constituent companies to do that, that

alone could bring back a millions jobs without Congress having to spend a penny.

Mr. DOWNING. Outstanding. Unfortunately, I have run out of time. Thank you all for your participation and your answers.

And on that, Mr. Chair, I yield.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Patronis, from the great State of Florida, for 5 minutes.

Mr. PATRONIS. Thank you, Mr. Chairman. This has been great. I have just really enjoyed all of the commentary, the questions, and especially y'all's participation.

I was back in the Florida Legislature years ago and, at that time, Governor Rick Scott was just adamant about trying to find advantages for manufacturers in the State. So we were successful on passing a sales tax exemption on manufacturing equipment, and just trying to compete with the Joneses of what other States are doing.

But I have never kind of thought about here, you know, or—are there advantages? I am all about—look, I am in the restaurant business for 30 years, and I am all about, you know, not trying to reinvent the wheel, especially if I can steal somebody else's wheel and make, you know, a version of it that works for me.

Are we doing the same thing for y'all? Are we taking advantage of other ideas? Or I mean—look, an idea you may have in one of your State markets that you are in, there is no reason why that can't be federal policy either. I mean, I would just loving anybody to chime in with whatever.

And I really—Mr. Voss, I wrote it all down. You blasting the healthcare system is something I totally take to heart as a family in a small business. That is something we feel every single day. How am I going to be competitive in the most competitive business when you can go anywhere to serve dinner for your family?

So but any comments y'all have regarding solutions that we should be stealing from somewhere else, I am good with that. Anybody? Yes, sir?

Mr. MOSER. Are you asking what Florida can do or what the U.S. can do?

Mr. PATRONIS. U.S.

Mr. MOSER. Both? U.S.?

Mr. PATRONIS. Yes, sir.

Mr. MOSER. I come back finally to skilled workforce. Engineers—for example, college loans should be preferentially awarded to people—Americans that want to study engineering, physics, et cetera, et cetera. And then those who don't get loans should be excellent candidates to become toolmakers, welders, precision machinists, who will have fewer defaulted loans and we will have more people doing the work that needs to get done.

Mr. PATRONIS. So let me dovetail off of that. Again, I don't know if the Chairman sees it in his garage, but do we have the right temperament in the workforce in order to try—I mean, I know we can continue to throw money at education, but are we sending the right type of people into the workforce that want to work in these type of positions? Are there other solutions that we are not thinking of?

Mr. MOSER. I think, as the youth and their parents see manufacturing coming back—and, once again, it is a wonderful career and a great way to get ahead. I was in a meeting 2 days ago, and the average service engineer for the machine tool companies is making somewhere between \$100,000 and \$150,000 a year.

Mr. PATRONIS. That is great.

Mr. MOSER. Which is higher than the average for Ph.D.s. But the kids don't know that because the guidance counselors don't tell them.

Mr. PATRONIS. So my own story. My first degree was a culinary arts degree. It was a 2-year certificate program. And after I got finished with it, I thought, wow, I can do more with myself than just cook. But I got that immediate gratification. I just did something with my hands.

So I didn't have to look at a paper and see an A. I saw somebody enjoying what I just created. So now I am motivated—to get to your point that you just said—to want to go ahead and get a bachelor's degree.

And I get these roadblocks by academics because now none of the classes I took at the same institution would qualify towards a bachelor's degree because they are too specialized. So it was crazy.

And I went as far as to the university president. I said to the college president—I said, “Why is this the case?” And he says, “Jimmy, there is just a part of our society where we have got to keep the plumbers out of the classrooms.”

And it broke my heart, but it gave me a reason why I have got to fight to make sure that, again, the tech schools get somewhat of equal footing with the glamour of the academic institutions.

Mr. MOSER. I have got an actual story about that. I met a VP from Milwaukee Area Technical College, a big community college.

And he was bragging about the fact that that institution was the second-largest graduate school in Wisconsin because only Madison got more people who already had bachelor's degrees because those with bachelor's degrees who couldn't find a job to pay off their debt came and learned to become a plumber or a toolmaker or welder so they could make a good income and have a good career.

Mr. PATRONIS. Well, I am with you.

Look, I am a big believer in the 2-year degree program. I am here because of it. But it was a stepping stone and helped me just become some maturity and understand the importance of workplace efforts.

Anyway, thank you all for showing up.

Thanks, Mr. Chairman.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Bresnahan from the great State of Pennsylvania for 5 minutes.

Mr. BRESNAHAN. Thank you, Mr. Chairman, and to the Ranking Member.

And thank you all for taking time out of your day to come spend some time with us up here on Capitol Hill, and to all the witnesses for appearing before the Committee today.

The need to expand domestic manufacturing in this country is more important than ever, and we must be clear-eyed about the challenges that come with it.

Years of offshoring have weakened our economy and left us vulnerable and overly reliant to foreign entities. In just a few months of working to bring manufacturing back home, we have already made tremendous strides to rebuild our domestic base, especially in northeastern Pennsylvania.

NEPA businesses that make products on American soil strengthen our economy, maintain a strong local workforce, and protect our national interests from foreign dependence, from Sugar Notch's own American Paper Bag company providing shopping bags and the Amazon shipping bags for families across the country, to Gentex producing military-grade fighter pilot helmets for our troops.

And today I am joined with one of our constituents, Lieutenant Gavin O'Donnell, who is an F-18 Super Hornet pilot who actually wears one of those helmets that are manufactured and created in our district.

So thank you for tagging along today as well.

One company that exemplifies the power of domestic manufacturing is i2M in Mountain Top, Pennsylvania. Under CEO Chris Hackett's leadership, i2M is producing American-made flexible polymer films that promote sustainability, bolster domestic supply chains, and support high-quality, good-paying local jobs.

I also want to highlight another company, United Envelope in Monroe County, and their high-quality mailers.

These businesses, along with countless others around the district, have a profound impact on northeastern Pennsylvania's economy and communities, but as we continue to expand domestic manufacturing we must acknowledge the challenges ahead.

Domestic manufacturing is great, but it means nothing if there is no power to keep the building running or workers to fill it.

Mr. Crain, I know you had made some comments about generating power, transmitting power, and ultimately distributing power, and as a former electrical contractor before coming to Congress, I am going to be definitely interested in some of your insight.

But keeping good capacity aligned with industrial growth will be one of the most difficult, most important aspects of increasing domestic production. If energy prices skyrocket, if families can't afford to heat their homes, the benefits of domestic manufacturing won't mean much.

I guess my first question would be—and to piggyback on a former question—talking about permitting reform, I sit on the Build America Caucus, and we just had a bipartisan meeting yesterday about some intuitive ways.

And something that we are seeing locally—and perhaps you have some insight as to a way that—when you are talking about transmission distribution, and construction, you have the federal government, you have State government and local government involved. And the majority of new transmission lines that are being created are usually falling within the parameters of one utility.

So I would be really curious to see and get your perspective on opening up transmission distribution, increasing the permitting time, and ultimately getting shovels in the ground faster.

Mr. CRAIN. You are absolutely right that we need to reduce the timelines to get permits reviewed and approved in order to get any

type of manufacturing online, but certainly energy production and transmission, as you just indicated.

What we are seeing at the federal level as well as at the local and State level is often a lack of coordination. We have overlapping statutes. We have different agencies that have jurisdiction over bits and pieces of a permit or of a statutory scheme. And so it results in a lot of box-checking and paperwork for manufacturers who just want to get shovels in the ground.

And so if we can streamline those processes, if we can increase coordination, then you are less likely to have those roadblocks at the outset of a project and less likely to have delays in terms of getting people actually employed and getting them to work.

Mr. BRESNAHAN. I appreciate that.

Mr. Voss, based on your experience leading a company that manufactures domestically, if you had a magic wand for companies looking to relocate to northeastern Pennsylvania—and I am going to give a quick plug here that, within a 1-day CDL drive in northeastern Pennsylvania, you can reach 60 percent of the United States population, as well within 200 miles you can reach 50 million Americans, but sometimes that barrier to enter is extremely troublesome.

What, if you had a magic wand, what is one thing we can do as Members of Congress to help alleviate some of those stresses?

Mr. VOSS. Boy, there is a list. Obviously, access to working capital is really important. There are a lot of great ideas out there, and many times the reason they fail is because they ran out of money before they got to the finish line. So, I mean, that would be one big thing.

Obviously, the business has to have a value proposition that translates into value in the marketplace. That is also important.

And then fight, like, for an even playing field. That is all we can ask for.

There were some comments today like the sky is falling because of this tariff strategy, and I am here to say it is exactly the opposite.

In the business world, it is filled with unpredictability. We have to adjust. And we can't be victimized by whatever policies or things we can control and what we can't control. We have got to develop a plan and work our way around it.

And so, from a congressional standpoint, I think the biggest thing from a big-picture standpoint is to understand and help everybody—

Chairman WILLIAMS. The gentleman's time is up.

Mr. VOSS.—understand the importance of small business and what it does, and then support it in every way we can, whether it is with health insurance reform, whether it is with banking reform—

Chairman WILLIAMS. The gentleman's time is up.

Mr. VOSS.—whether it is carving out specifics for the tariff policy that could be improved.

Mr. BRESNAHAN. Thank you. I yield.

Chairman WILLIAMS. The gentleman yields back.

I now recognize Mr. Jack from the great State of Georgia for 5 minutes.

Mr. JACK. Thank you, Mr. Chairman.

And I want to echo many of the things my colleague, Mr. Bresnahan, said.

I want to thank Gavin for his service, and I hope you are enjoying this hearing today. Your Congressman is deeply respected. I am proud to serve alongside him and sit to his right in this Committee.

And I would like to thank you, Mr. Chairman, for convening this important hearing. It has been inspiring to hear some of the testimony today.

Increasing domestic manufacturing is a priority for this Committee, and we are very proud of our record of success thus far this Congress, and, likewise, we are proud of our record of partnership with the Trump administration.

I should note for the record that, under Administrator Loeffler's leadership, the Small Business Administration is implementing its Made in America Manufacturing Initiative, pledging to cut \$100 billion in red tape and expand access to capital.

One of the first legislative victories this Congress had directly impacted my own district. I have got a company in my district that manufactures tankless water heaters, and it was subject to the most onerous, burdensome regulations you could imagine from the Biden administration.

And, thankfully, we were able to use the Congressional Review Act and earn a bipartisan majority in not just the House but also the Senate, sending it to the President's desk for signature, enabling over hundreds—I would say 300 jobs in my district to be saved thanks to our legislative action.

So we have a record of success we are proud of in this Committee.

And I would like to begin my line of questioning with Mr. Crain, although I should note at the outset I understand you are a graduate of Mercer University. Am I correct in that assumption?

Mr. CRAIN. You are. That is correct.

Mr. JACK. Are you a Georgia native, by chance?

Mr. CRAIN. I am not. My grandparents lived in Georgia for a big chunk of their life. I am from Birmingham, Alabama, originally.

Mr. JACK. Wonderful. Well, you are from Alabama.

So, Mr. Chairman, we will have to check his allegiances. Mercer is one of the top-ranked teams in Division 1AA football and is playing Auburn this weekend, so we are looking forward to the outcome of that.

Mr. CRAIN. My folks are Auburn grads, and I am a Mercer grad.

Mr. JACK. Well, I won't put you on the record.

But in that vein, you have discussed today the importance of innovation for manufacturers and how manufacturers account for 53 percent of private R&D spending. So despite only making up 10 percent of GDP, they account for 53 percent of private R&D spending.

So how do provisions like immediate R&D expensing ensure that manufacturers are able to continue to lead in innovation?

Mr. CRAIN. Thank you for that question, Congressman.

You are absolutely right that innovation is the lifeblood of manufacturing. Innovation is so critical that immediate R&D expensing had been the law of the land for 40 years, reducing the cost of R&D

and empowering manufacturers to invest more in transformational technologies.

Unfortunately, that policy expired in 2022. And so through the One Big Beautiful Bill Act, you all revived immediate R&D expensing and made it permanent, providing manufacturers the certainty they need to invest in long-term R&D projects and the capital availability they need to make those projects cheaper, to have life-changing, lifesaving products on manufacturing shop floors and manufacturing labs across the country, which is so critical to our industry's place here in America and on the world stage.

Mr. JACK. And you mentioned in your written testimony how the various elements of your comprehensive manufacturing strategy work together to support economic growth. I was hoping you could elaborate a little bit more about that comprehensive manufacturing strategy and where you see us going in the next few years.

Mr. CRAIN. Absolutely.

Tax reform laid the foundation, but more must be done to build on the success of tax reform and to truly unlock growth and investment by small manufacturers.

That means rebalancing regulations at a time when the small manufacturing industry shoulders a significant burden from federal compliance.

It means permitting reform, which we have talked about today, helping companies get shovels in the ground faster and with less uncertainty on the back end from ongoing, never-ending litigation.

It means bolstering American energy dominance so we have the power that we need to drive manufacturing in the future.

And it means the workforce that manufacturers need, ensuring that they have the skill—and that they exist at all—to fill the 400,000 open jobs that we need.

All of those policies work together to drive a manufacturing renaissance, which is something that the industry supports, you all in Congress support, and the President supports.

Mr. JACK. Well, I thank you for your testimony today. I worked with the National Association of Manufacturers in my previous job. In the first term, I was in the Trump administration. And I think your mission is noble, and I think we are all here committed to ensuring that manufacturing in America continues to thrive.

And if I could close with Mr. Moser. We have 30 seconds.

I would just love for you to share with this Committee in our remaining time the impact of tax reform that we saw earlier this year through the One Big Beautiful Bill Act and where you see our economy headed because of it.

Ms. MODLIN. I have long been in favor of immediate expensing, and that is absolutely essential because of the importance of increasing productivity in the U.S. to become more competitive and to deal with our relatively limited number of skilled workers.

So that piece of the bill—I support the whole thing, but that piece especially is important.

Mr. JACK. Thank you both.

And, Mr. Chairman, thank you for convening this hearing. I yield back.

Chairman WILLIAMS. The gentleman yields back.

And I also want to thank all of our witnesses for their testimony and for appearing before us today. We appreciate it greatly.

Without objection, Members have 5 legislative days to submit additional materials and written questions for the witnesses to the Chair which will be forwarded to the witnesses.

I want to, again, ask the witnesses to please respond promptly if that happens. I want to thank you again for being here.

If there is no further business, without objection, the Committee is adjourned.

[Whereupon, at 12:14 p.m., the Committee was adjourned.]

[Ms. Shirley Modlin did not submit her responses to QFR's in a timely manner.]

APPENDIX



Testimony of

Charles Crain
Managing Vice President, Policy
National Association of Manufacturers

Before the

U.S. House of Representatives
Committee on Small Business

Hearing on

“Made in the USA: How Main Street is Revitalizing Domestic Manufacturing”

November 20, 2025

Chairman Williams, Ranking Member Velazquez, and members of the Committee on Small Business, thank you for inviting me to testify today on behalf of the 13 million people who make things in America.

My name is Charles Crain, and I serve as the Managing Vice President of Policy at the National Association of Manufacturers. The NAM represents manufacturers of all sizes, in every industrial sector, and in all 50 states. Across the industry, 93% of manufacturers have fewer than 100 employees, and 75% have fewer than 20 employees. In other words, small businesses drive the manufacturing economy.

Small manufacturers are uniquely well-positioned to help the U.S. achieve a manufacturing renaissance. Whether they are a new company seeking to disrupt their industry or a long-standing family business that has been operating across many generations, small manufacturers often operate with advantages of agility, adaptability, and innovation that the institutional flexibility of a small firm size enables. At the same time, small businesses are often more sensitive to many of the challenges that manufacturers face.

Many of these challenges stem from federal policy burdens that can hamper small manufacturers’ ability to grow and succeed. To ensure that the United States remains the best place in the world for small manufacturers to thrive, Congress and the Administration must pursue a **comprehensive manufacturing strategy**—built on pro-growth policies designed to bolster our industry’s ability to invest and create jobs here in America. Policymakers have already taken a historic step toward a manufacturing renaissance by passing the One Big Beautiful Bill Act, providing a competitive, permanent, pro-manufacturing tax code—but more must be done, including rebalancing burdensome and unworkable regulations, reforming America’s broken permitting process, investing in our nation’s infrastructure, bolstering American energy dominance, providing trade certainty, and developing the manufacturing workforce of the future.

I. Tax Reform Paves the Way for Manufacturing Revitalization

This Congress has already made great strides in creating a better policy environment for small manufacturers to grow and thrive. Thanks to Congress’s leadership on the OBBBA, which ushered in

a permanent, pro-growth tax code that supports manufacturers' ability to invest and innovate, America is well-positioned to build upon the industrial supremacy that has been the cornerstone of our nation's economic strength for over a century.

The manufacturing industry partnered with Congress for more than a decade on the Tax Cuts and Jobs Act and the OBBBA. In 2017, small manufacturers helped lead the charge in support of the TCJA, which replaced one of the world's least competitive tax codes with one of the world's most competitive. In the years following the TCJA, we saw the best job creation in manufacturing in 21 years, the best wage growth in 15 years, and significant increases in capital spending across the sector. To preserve this rocket fuel for the manufacturing economy, small manufacturers once again stepped up to the plate in support of the OBBBA, which made permanent the TCJA's historic reforms

In other words, the story of the tax bill's passage reflects the voices, the views, and the hard-won experience of the full swath of the manufacturing sector. This is particularly true for small manufacturers, who faced significant risk of impending tax hikes that would have occurred at the end of this year, threatening 6 million American jobs. Via crucial pro-growth policies like the pass-through deduction, individual tax rates, the estate tax exemption, and immediate expensing for equipment, research, and facilities, the OBBBA empowers small manufacturers to continue to drive the revitalization of the American manufacturing economy.

- **Pass-Through Deduction**—Created by the TCJA, the 20% pass-through deduction has had a significant impact on the growth and competitiveness of small manufacturers. Thanks to the TCJA's passage, a small pass-through manufacturer with \$1 million in taxable income saw its tax obligations reduced by more than \$100,000 from 2017 to 2018. These savings translate into increased hiring, investments in equipment and machinery, wage increases for shop floor workers, new benefits and training programs, and more. The scheduled expiration of the pass-through deduction at the end of 2025 would have resulted in a drastic increase in small manufacturers' effective tax rate—but the OBBBA preserved and made permanent this deduction. As a result, small businesses now have both the competitive tax policy and the certainty they need to compete and grow.
- **Reduced Individual Income Tax Rates**—The TCJA's reduced individual tax rates have been vital policies for the manufacturing sector given that 96% of manufacturers are pass-through businesses that pay taxes at the individual rates. The TCJA's rate cuts, which the OBBBA preserved and made permanent, gave these businesses more financial flexibility to make the investments they need to compete.
- **Estate Tax Exemption**—The OBBBA provides relief to many small, family-owned manufacturers from the devastating impact of the estate tax. In 2017, the TCJA doubled the estate tax exemption, protecting family-owned manufacturers from a potentially crippling tax burden following the death of a loved one. Without the OBBBA, the exemption would have been cut in half at the end of 2025. That would have meant that family-owned manufacturers would have been forced to liquidate assets, take on debt, limit operations, reduce employees, or close down entirely as a result of the death tax. Instead, because the OBBBA preserved the higher exemption, family-owned manufacturers are better equipped to grow and pass down their family's legacy.
- **Business Expensing**—A crucial pro-growth, pro-investment benefit of the OBBBA is the law's focus on business expensing. The OBBBA restored manufacturers' ability to fully and immediately expense the cost of both research and capital equipment purchases; it also made it easier to expense interest on business loans, reviving another TCJA incentive. Additionally, the OBBBA created a new deduction for the construction or improvement of manufacturing production facilities. By allowing for the immediate expensing of research,

capital equipment, and manufacturing facilities, the after-tax costs of those investments are reduced, and manufacturers can make more of them as a result. Manufacturers are capital-intensive, and investment in research and advanced manufacturing technologies are the lifeblood of manufacturing competitiveness. By creating a tax code that recognizes the importance of these investments for economic growth, manufacturers are better prepared than ever to compete and win.

On behalf of an energized and gratified industry, thank you for delivering on a tax bill that not only prevents devastating tax hikes on small and family-owned manufacturers, but builds on the successes of the TCJA with permanent, pro-growth policies designed to stimulate manufacturing investment here in the United States.

II. Made in America Manufacturing Finance Act

Manufacturers appreciate the Small Business Committee's efforts to build on the success of the OBBBA. Chairman Williams' Made in America Manufacturing Finance Act is an important step to further increase capital availability for manufacturers—enhancing the many pro-small-business tax provisions from the OBBBA that similarly support manufacturing capital formation.

MAMFA would create a critical new source of capital for small manufacturers. Recognizing the uniquely capital-intensive nature of the manufacturing sector, the bill would double the cap on SBA 7(a) and 504 loans for domestic manufacturers from \$5 million to \$10 million. SBA 7(a) and 504 loans are vital tools for many manufacturers that depend on capital-intensive investments. Enacting this legislation would be a strong step toward ensuring that manufacturers can secure the financing necessary to invest in equipment, facilities, and technologies that strengthen global competitiveness and create well-paying jobs here in United States.

Under this Administration and coinciding with the whole-of-government approach to manufacturing revitalization, SBA loans for manufacturing have already increased by 74% in 2025. This drastic increase in SBA loan utilization occurred despite an inflation adjusted decline of 33% in the value of the current \$5 million maximum loan amount since that maximum was set in the Small Business Jobs Act of 2010. Increasing the loan amount to \$10 million for manufacturers would more than accommodate the inflation-adjusted decline since 2010 and expand the loan guaranty to ensure that manufacturers have access to the necessary financing for growth.

III. Comprehensive Manufacturing Strategy

The path to manufacturing dominance is already underway with a competitive tax code now in place, and the Small Business Committee is working to build on this historic law. However, there is still much work to be done to achieve a federal policy posture that supports manufacturing revitalization in America.

To build on the success of President Trump and this Congress in extending, expanding, and making permanent a pro-manufacturing tax code, policymakers should pursue a comprehensive manufacturing strategy, with the specific goal of unlocking further domestic manufacturing growth and job creation. Manufacturers need reforms that reduce the cost of doing business in the United States, make it easier and more cost-efficient to get projects off the ground, provide the access to capital and policy certainty they need for long-term investment decisions, and empower the industry to attract, train, upskill, and retain the workforce of the future. Specifically, the NAM looks forward to working with Congress to advance:

- **Permitting reform** that allows companies to get shovels in the ground quicker and more efficiently—maintaining public buy-in for projects while eliminating the threat of endless

litigation that has too often stopped projects of all types in their tracks;

- **American energy dominance**, achieved through an all-of-the-above energy strategy, to power our industry—and a robust power grid that can handle the capacity we need, especially as manufacturers continue to incorporate AI into shop floor operations;
- **Modernized federal regulations** that will rebalance the \$350 billion in annual regulatory costs weighing manufacturers down;
- **Infrastructure investment** that enables us to make and move products around the country and meet the needs of our modern, interconnected, digital economy;
- **Policies that support AI innovation** and the next generation technologies that power modern manufacturing shop floors;
- **Commonsense trade policy** that ensures manufacturers have access both to imported inputs needed to make things in America and to export markets that enable us to sell around the world;
- **Health care policies** that support manufacturers' efforts to offer affordable benefits to workers and their families; and
- **Workforce solutions**, like employer-driven skills training, apprenticeship-style programs, and a reformed immigration system that focuses on America's economic needs, to help manufacturers fill the 400,000 jobs currently open across the industry.

These priorities are crucial to building on the "rocket fuel" that the TCJA and the OBBBA delivered for our industry, and to empowering small manufacturers across the country to continue to drive the American economy.

IV. Permitting Reform and Energy Dominance

Energy demand across the country is experiencing unprecedented explosive growth, and it's not expected to slow down, particularly as the energy demand growth in manufacturing coincides with a similar growth in demand resulting from the constructing of AI data centers. Manufacturers need to be able to produce and use every energy source available to meet this critical moment. In short, manufacturers need American energy dominance, bolstered by an all-of-the-above energy strategy, that allows our industry to innovate, build, and grow here at home.

In order to achieve this objective, we must reform our nation's broken and out-of-date permitting processes. It should not take the United States 80% longer to permit a project as compared to other major, developed nations. Unclear timelines, lack of agency coordination, overlapping statutes, and endless litigation continue to drive up the costs of critical projects or halt them altogether. According to a recent NAM survey, 80% of manufacturers say that the length and complexity of the permitting process is harmful to increasing investment, 87% of manufacturers would expand business operations, hire more workers, or increase wages and benefits if the permitting process were more streamlined, and 68% of manufacturers with permissible expansion plans say they would be able to expand more quickly with a streamlined federal permitting system.

Permitting reform underpins our energy, AI, and manufacturing future—and now is the time for Congress to act.

- **Reform the National Environmental Policy Act**—Manufacturers need certainty when making investment decisions and planning projects. But the NEPA process has been abused by activists acting in bad faith—leading to project delays and years of uncertainty. Policymakers should enact commonsense NEPA reforms that will ensure a speedy process that results in definitive decisions for all projects.
 - **Expedite judicial review under NEPA**—The judicial review process under NEPA has long been abused, with incredibly lengthy and often frivolous litigation too often holding up projects. Manufacturers need a workable statute of limitations, guardrails that limit legal action to affected stakeholders that offer substantive public input, and clearer limits on when courts can invalidate an agency action.
 - **Codify Supreme Court NEPA precedent**—Too often, project opponents use speculative or non-proximate project effects to challenge a permit decision. The Supreme Court recently issued a unanimous decision that limits the scope of NEPA. Congress must codify this precedent to ensure that environmental reviews only focus on the impacts of a project to its immediate environmental and community surroundings.
 - **Update what triggers a major federal action under NEPA**—The federal government often supports critical manufacturing and energy projects across the country with various incentives. However, this very support frequently triggers a lengthy review and litigation process, defeating the purpose of the government incentives. Projects that receive federal funding should not automatically trigger NEPA solely because they receive federal financial support.
 - **Increase the use of categorical exclusions under NEPA**—While Congress looks to reform NEPA, the executive branch should use its existing authority under Sec. 109 of NEPA, as added by the Fiscal Responsibility Act, to issue new categorical exclusions and more efficiently allow for interagency transferability of these exclusions in order to ensure critical infrastructure projects can advance unimpeded by unnecessary reviews.
- **Create and maintain enforceable deadlines**—Manufacturers lack predictability for when they can expect final permitting decisions to be issued. Policymakers must establish clear statutory deadlines to avoid leaving the process open to interpretation and abuse.
- **Streamline the Clean Water Act**—Clean Water Act reviews have led to extended and unnecessary delays given unclear rules, vague divisions of state and federal authority, and extended review periods. Policymakers should clarify timelines for when agencies must act on permitting requests, establish clear, commonsense definitions regarding the scope of permitting and consultation requirements, and increase the usage of general permits.
- **Modernize the Clean Air Act**—Increasingly, regulations under the Clean Air Act are holding back manufacturing and energy investment. By setting air quality standards that are at or near natural background levels, imposing onerous requirements on new and expanding facilities, and failing to account for international emissions, the status quo leaves energy and manufacturing dominance at risk. The administration should ensure workable standards for both PM2.5 and Ozone under the CAA's National Ambient Air Quality Standards program, and Congress should modernize the NAAQS program to make it easier to discount international emissions, ensure a workable review process through realistic timelines, bolster stakeholder voices in the review process, and allow for creative solutions for emissions reduction credit trading across states and regions.

- **Provide greater regulatory certainty**—Manufacturers face difficulties planning projects when the rules of the road change from administration to administration. The same is true when agencies have overlapping or conflicting policies that impact energy and AI development. Agencies must better coordinate when adopting impactful policies—including by designating a lead agency to coordinate efforts to improve the federal permitting process.
- **Unlock access to domestic critical materials, including on federal lands**—Critical materials and minerals are essential inputs for robotics, industrial automation, electronics, and electric grid components. Unfortunately, financial and regulatory barriers are impeding the development of domestic mining and processing capacity in a time frame that can meet supply chain needs. Policymakers should advance legislation, incentives, and regulations that will allow for expedited approval of critical minerals and materials projects. This includes aligning the DOE Critical Materials List and the DOI Critical Minerals List, which will ensure greater domestic access to these materials through financial incentives and permit streamlining.
- **Accelerate construction of needed energy infrastructure**—America needs enhanced infrastructure to transport energy across the country. Policymakers should modernize the permitting process for pipelines, enhance and improve safety measures around pipeline systems, and increase efficiencies through embracing new technologies like AI. Federal agencies also should coordinate with state and local officials to improve the process for interconnecting new transmission and distribution lines to the grid, ensuring that the electrons generated can get to their final destination.

V. Regulatory Rebalancing

A critical pillar of the NAM's comprehensive manufacturing strategy is to re-balance the regulatory landscape for manufacturers. Our industry spends \$350 billion each year just to comply with federal regulations—capital that could be spent on expanding factories and production lines, hiring new workers, or raising wages. This comes out to manufacturers spending an average of \$29,000 per employee per year due to regulatory compliance costs. This number goes up to \$50,000 per employee per year for small manufacturers with less than 50 employees. The 2023 NAM study on regulatory costs, which surveyed manufacturers across the country as part of its methodology, found that if the costs of federal regulation were reduced, funds presently allocated toward compliance would become expenditures for employee compensation and hiring, investment, and research and development.

Manufacturers have been at the forefront of calling on the administration to right-size the federal regulatory environment and to institute practical, workable rules of the road that will allow manufacturers to invest, build, and grow. In December 2024, the NAM and more than 100 manufacturing organizations sent a [letter](#) to then-President-Elect Trump outlining more than three dozen regulatory actions the administration could take to right-size regulatory burdens for manufacturers. Following the President's February 19 executive order on federal regulations, the NAM [submitted](#) more than 40 regulatory recommendations across 10 agencies that needed to be rebalanced to unlock manufacturing growth in the U.S. The administration has made significant progress in implementing these regulatory priorities, with dozens of unworkable rules already in the process of being rescinded or rebalanced.

There is still more work to be done to further streamline federal regulations holding manufacturers back. The NAM is calling on Congress and the administration to:

- **Finalize the EPA's reconsideration of the Biden administration's PM2.5 NAAQS rule** by reversing course on this unworkable standard, which set limits below natural background levels in many regions and blocks manufacturing investment and job creation.
- **Begin the EPA's rulemaking process to maintain the first Trump administration's ozone NAAQS standard** of 70 parts per billion.
- **Implement the One Big Beautiful Bill Act** at Treasury with expedient guidance that maximizes the pro-growth effects of this historic law and minimizes the compliance burden for taxpayers.
- **Promulgate reforms at the SEC to depoliticize the proxy process** by instituting much-needed oversight of activist shareholder proposals and proxy advisory firms.
- **Establish a workable CERCLA hazardous substance designation Framework Rule** to avoid future PFAS determinations that would hamper manufacturing in America, and conduct a durable reconsideration of the other PFAS drinking water standards.
- **Substantially revise or rescind the Biden administration's proposed OSHA Heat Rule**, which would impose impractical, one-size-fits-all standards on manufacturers across the country.
- **Protect manufacturers from liability and a fifty-state regulatory patchwork** by preserving federal preemption over climate regulation at the EPA.
- **Finalize ongoing reviews of overreaching and unbalanced Biden EPA rules**, including the Power Plant Rule, the Good Neighbor Rule, NESHAPs for multiple uses of ethylene oxide, the TSCA risk evaluation framework, the Risk Management Program, and the definition of "Waters of the United States."
- **Continue implementing the White House AI Action Plan** to drive American AI dominance, incentivize AI innovation and adoption, and enhance permitting of data center infrastructure.

VI. Infrastructure Investment

The competitiveness of manufacturers across the nation is impacted by the quality of our infrastructure networks. As part of a comprehensive manufacturing strategy, we need policymakers to continue the bipartisan tradition of investing in our nation's surface transportation infrastructure, as a modern transportation system is integral to manufacturers' ability to make and move products on which millions of people depend. Additionally, public infrastructure projects generate productivity gains and induce demand for manufacturing goods—stimulating the economy and bolstering American competitiveness.

There is also a human element when it comes to the benefits of a modern transportation system. Every day, millions of manufacturing employees travel over roads to and from work, the grocery store, and kids' baseball games. Their safety and livelihoods are improved by projects that modernize American infrastructure and make the movement of people and goods safer and more efficient.

The success of any effort to modernize and make improvements to our nation's surface transportation infrastructure depends in large part on the swift obligation of funding and how efficiently projects can get from design to construction. Rightsizing our nation's cumbersome and

overreaching permitting laws and regulations is essential in this regard—and is part of any comprehensive strategy to grow manufacturing in the U.S. And targeted reforms are needed to ensure federal infrastructure investments are as effective as possible, including changes that would simplify formula funding programs and notices of funding opportunities for the discretionary grantmaking process, removing red tape.

Congress can and should seize this opportunity to enact legislation that will further support our economy and better enable manufacturers to compete. It is critical that we provide the certainty that comes with keeping to the five-year surface transportation reauthorization schedule, instead of going back to the fits and starts of extensions.

Additionally, manufacturers have been leaders in championing continued improvements to America's surface transportation infrastructure, advocating for passage of the Infrastructure Investment and Jobs Act, the Fixing America's Surface Transportation Act, and the Moving Ahead for Progress in the 21st Century Act, among many other pieces of legislation. The IIJA in particular was a historic investment, informed by years of advocacy from manufacturers and other key stakeholders to finally address our nation's longstanding infrastructure needs. Manufacturers respectfully encourage Congress to consider several policy proposals that will support our efforts to build and grow here at home and compete around the world, including:

- **Continuing robust investment levels** for federal infrastructure, developing long-term solutions for Highway Trust Fund solvency;
- **Strengthening transportation supply chains** to support resiliency and efficiency; and
- **Reforming burdensome permitting laws** and regulations to ensure federal infrastructure investments are made efficiently and responsibly.

VII. AI and Advanced Manufacturing Technology

Manufacturers are at the forefront of the AI revolution. Research from the Manufacturing Leadership Council, the digital transformation division of the NAM, indicates that 44% of manufacturers planned to increase their smart factory technology investments in 2025. Additionally, artificial intelligence is making significant inroads in optimizing performance and improving product quality and innovation. More than half of manufacturers already use AI in their operations, 60% of manufacturers expect to deploy AI in their operations by 2027, and 80% of manufacturers say AI is essential to grow or maintain their business by 2030. However, as manufacturers seek to make a shift toward digital operations, 49% said they find themselves challenged with the expense of upgrading outdated equipment, and 43% said they lack digitally skilled employees. And while 93% of manufacturers say that using data has improved their decision-making, almost half say they are challenged with trying to extract data from legacy systems and equipment. The restoration of immediate expensing for equipment purchases was a vital policy tool manufacturing investment generally, but particularly impactful within the context of the current barriers to AI adoption, with the expense of advanced manufacturing equipment accounting for the largest barrier.

AI is crucial to manufacturers' efforts to ensure safety on shop floors across the industry, develop and design innovative products and processes, increase supply chain efficiency and operational consistency, and more. To enable and empower the industry's work to be at the leading edge of this groundbreaking technology, and to ensure that small manufacturers are not locked out of its potential, policymakers should:

- **Review existing federal laws and regulations.** The growing number and variety of use-cases of AI in manufacturing, on the shop floor and throughout manufacturers' operations, require a regulatory environment that is optimized for the development and deployment of these groundbreaking technologies. Policymakers should identify laws and regulations that

prevent or inhibit the development or deployment of AI. Additionally, when considering new rules, policymakers should take into account where existing regulations are sufficient rather than adopting new, AI-specific ones.

- **AI is context-specific, so “AI regulation” should be too.** The diversity of use-cases of AI makes manufacturers particularly sensitive to any AI policy or regulatory approach that is one-size-fits-all. Regulation should focus not on the AI technology itself—whether how it is developed or how it operates—but rather on how it is used. Innovation requires a risk-based rather than one-size-fits-all approach.
- **Right-size any AI regulation compliance burden.** The ubiquitous use of AI throughout modern manufacturing, as well as manufacturing's dependence on innovation, underscores the need for rules that enable rather than hinder manufacturers' development and adoption of AI systems. Workable, balanced regulations will avoid imposing undue compliance burdens that would inhibit AI adoption—and industry standards and self-assessments, rather than audits, can help minimize the compliance burden.
- **Promote best practices for transparency of AI development.** Complying with risk-based and use-case-specific regulation requires AI deployers to understand how AI systems are developed and trained so that they can understand how they will perform. The administration, via the National Institute of Standards and Technology, should develop and promote best practices that give AI deployers such transparency.
- **Ensure a level playing field between open and proprietary AI solutions.** Preserving manufacturers' access to AI models that are open source and/or open weights will enable AI advancements across a wide range of companies.

As I've noted, the adoption of AI throughout manufacturing is critical to the continued global competitiveness of the sector. And, to enable this competitiveness, businesses need skilled workers both for the deployment and integration of AI into manufacturing processes and business models, and for those who leverage advanced manufacturing technology on the shop floor in the production process itself. The economic growth potential from AI is substantial but also requires a significant adaptation amongst both manufacturers and the workforce. Automation changes the tasks that manufacturing workers perform and the skills they need on the job, and the United States can lead in AI while simultaneously building the best manufacturing workforce in the world—but that depends on an adaptive and accessible workforce development model that can accommodate for rapid changes in workforce needs.

Additionally, abundant energy is a prerequisite for American AI leadership. Both AI data centers and manufacturing processes are energy-intensive, and the potential of AI diffusion throughout the manufacturing sector to translate to economic growth depends on a foundation of abundant energy production. Because of this interdependence, permitting reform, energy production, and a modern and adaptive manufacturing workforce are mutually reinforcing elements of a pro-AI policy strategy, each independently critical to advanced manufacturing dominance, but with compounding impacts when done together.

VIII. Commonsense Trade Policy

Trade policy is part of a comprehensive U.S. manufacturing strategy

The NAM's Q3 Outlook Survey shows optimism rebounding after the passage of the OBBBA, but we're still below historic highs. Trade uncertainty, rising raw material costs, and increasing health care costs topped the list of concerns for the third consecutive quarter. In order for manufacturers to

fully tap into the power of the OBBBA's historic pro-growth tax provisions, we need trade policies that respects the manufacturing investments that we've made under the rules we were given as well as new and/or improved cutting-edge trade deals—while enforcing existing obligations—as part of a comprehensive U.S. manufacturing strategy.

Manufacturers of all sizes in the U.S. thrive when they can reach customers wherever they are located in the world. While manufacturers benefit from strong U.S. demand, billions of customers are outside the U.S. In 2024, the top 25 manufacturing export markets in 2024 amounted to \$1.4 trillion in opportunities for manufacturers in the U.S. Building on this strong foundation, combatting unfair trade practices, and expanding access to global markets will allow U.S. manufacturers to outcompete any rival.

Manufacturers of all sizes compete in the global economy

Expanding manufacturers' reach through global trade has been pivotal to expanding U.S. manufacturing production to record levels, to promoting manufacturing innovation, and to enabling businesses of all sizes to raise wages and create more high-skilled U.S. jobs.

Manufacturers are working to increase capacity in the United States. That's why we've put forward a plan to reward and incentivize the manufacturers who have done exactly that: invest in America. Even when running at full capacity—every shift filled, every factory floor humming—manufacturers in the U.S. must still import about 16% of the inputs we rely on to produce goods here at home. In other words, America can supply 84% of its manufacturing inputs domestically—but we need a runway to reach 100%.

Under our plan—the U.S. Manufacturing Investment Accelerator Program—we've provided an effective way for the administration to grant a "speed pass" to import critical inputs without the added cost of tariffs. It helps manufacturers working to make America the best place to build things import what they need to build those things. Manufacturers plan years ahead—sometimes four or five years, sometimes much longer for major projects like mining and processing critical minerals. We need predictability and a competitive edge to sustain that investment.

In the face of growing overseas competition, foreign government distortions, and trade barriers by trading partners—including by countries that prefer to play by their own rules—the NAM believes that strong U.S. global economic policy leadership is necessary to address these challenges, ensure supply chain resiliency, and promote more U.S. manufacturing exports and the well-paying jobs they support.

IX. Health Care

Manufacturers have a deep commitment to providing health benefits to their workers, even as rising health care costs remain a top challenge for the industry. 67.5% of small manufacturers cited health care and insurance costs as their primary concern in the NAM's most recent Manufacturers' Outlook Survey. Despite this challenge, 95% of manufacturing employees are eligible for health insurance benefits, 80% of whom participate, which underscores the urgent need for action to reduce health care costs for manufacturers and manufacturing workers alike.

Employer-sponsored health insurance ("ESI") is the bedrock of the United States' health care system—in 2024, 154 million people were covered through ESI. In 2023, the NAM released a study, *Manufacturers on the Front Lines of Communities: A Deep Commitment to Health Care*, which took an in-depth look at the progress made by manufacturers in offering ESI, as well as the challenges they continue to face. The study found that manufacturers provide health care benefits so they can effectively attract and retain employees, to maintain a healthy and productive workforce, and

because they believe it is the right thing to do for their workers. Manufacturers are committed to continuing to offer health insurance to their employees, but there are steps Congress can take to ease the burden they face.

To increase access to and affordability of ESI, manufacturers recommend:

- **Strengthening ERISA**, including by easing regulatory burdens—which would lower costs and improve the quality of care for manufacturers and manufacturing workers;
- **Protecting ERISA's federal preemption**, which allows multi-state employers to design and administer uniform benefits to all employees, regardless of their states of residence;
- **Improving data transparency and accessibility**, ensuring manufacturers have the information they need to make informed decisions about their plan;
- **Preserving the ESI tax exclusion**, which is critical to manufacturers' ability to offer accessible and affordable health coverage;
- **Reforming pharmacy benefit managers**, underregulated middlemen that drive up health care costs for manufacturers and manufacturing employees alike; and
- **Reforming the 340B program**, which has expanded far beyond its original scope, increasing drug costs for self-insured employers and their workers.

X. Manufacturing Workforce and Immigration

Workforce Development

Over 2024, we have averaged 500,000 open manufacturing jobs in America—good-paying, life-changing careers. And by the year 2033, we face a shortfall of 1.9 million manufacturing workers.

Manufacturers have a deep understanding of their workforce needs and the negative impact on their bottom line when they do not have the talent to fill necessary roles. They have long invested and taken an active role in building a well-trained, future-ready workforce. As manufacturing in the U.S. grows and job roles evolve, especially with the integration of AI, there is an urgent need for stronger, more responsive training pathways to fill high-skill, high-wage roles. The most effective way to meet this need is through employer leadership supported by a responsive public workforce system—both partners are necessary to build and sustain a skilled manufacturing workforce. We have seen steps in the right direction thanks to the work of this Congress, namely through the recent passage of the Workforce Pell program.

Large manufacturers often have the capacity to develop internal training programs or collaborate directly with education providers. Small and medium-sized manufacturers, however, generally lack those resources, and as a result tend to rely more heavily on the public workforce system, or all together bypass training that could make their company more competitive. In many regions, the public workforce system is not structured to respond quickly or effectively to local employer needs, resulting in a mismatch between training programs and the skills manufacturers require.

Congress can help close this gap by adopting workforce legislation that funds employer-led training initiatives tailored to small and medium-sized manufacturers, whether through multi-employer partnerships or individual efforts. Manufacturers should be confident that external training programs will meet their needs. This requires placing employers at the center of federally funded training programs from design to delivery—including those under the Workforce Innovation and Opportunity Act, Strengthening Career and Technical Education for the 21st Century Act, Workforce Pell, and others.

In addition to modernizing the broader workforce system to better serve small and medium-sized manufacturers, Congress should expand proven models like apprenticeship by removing barriers and aligning incentives. Some manufacturers have successfully developed and executed

apprenticeship programs, though broader participation is limited by the high costs of development and administration. Small and medium-sized manufacturers are especially constrained. Federal investments that offset wages, on-the-job training expenses, and program setup costs would significantly expand access and impact. Without rebalancing the costs and incentives, particularly for registered apprenticeships, only modest growth in adoption among manufacturers is likely. Congress should act to modernize apprenticeship policy, streamline registration, and expand financial support to ensure more small and medium-sized manufacturers can benefit from this effective model.

Immigration

In addition to improving workforce development and education policies in the United States to train Americans for rewarding careers in manufacturing, closing the existing manufacturing employment gap and meeting the growing demand for manufacturing workers will also depend on pro-growth immigration policy.

Manufacturers greatly appreciate the administration's focus on immigration reform. Strong border security and targeted enforcement are essential to a lawful, stable system that ensures hiring occurs through legal channels. By pairing these efforts with a modern, merit-based, employment-driven immigration framework, Congress and the administration can create a legal immigration system that works and secure American manufacturing dominance for generations to come.

Manufacturers face a unique, structural workforce challenge unlike that of any other industry, but the current system fails to recognize the distinct skills and positions that drive production on the shop floor. Welders, machinists, and technicians are essential to making things in America. These essential workers are the backbone of our industrial strength, but the system offers few pathways to bring them here legally. And while programs exist for scientists and engineers—who are also critical to manufacturing growth—those pathways must be updated and reformed to meet the evolving demands of innovation, technology, and advances of manufacturing in the decades ahead. To power growth and realize American manufacturing dominance until the domestic workforce can meet industry's needs, we need a legal, merit-based, employment-driven immigration system that works alongside our domestic workforce development efforts.

* * * *

Tax reform was the first step in a national pivot to manufacturing dominance. Now, it's time to continue the momentum and adapt other aspects of federal policy to the new geopolitical reality that demands a comprehensive strategy for manufacturing competitiveness.

The United States cannot afford to be 80% slower than other developed economies in deploying critical energy and transportation infrastructure as a result of permitting delays. We cannot afford an excessively burdensome patchwork of federal regulations that cost manufacturers \$350 billion annually to comply with. We cannot afford to falter in implementing both the workforce development and immigration policies that are needed to ensure that our workforce can accommodate currently open manufacturing jobs and forthcoming growth. We cannot afford to fall behind in developing and deploying the advanced manufacturing technologies that underpin manufacturing productivity and competitiveness.

This Congress and this administration have been clear that restoring manufacturing dominance is a top priority. Small manufacturers will drive growth and innovation in the manufacturing industry, but we need Congress and the administration to continue the progress already made this year in establishing the policy context that will support industrial revitalization.

Manufacturers stand by Congress and this administration throughout this national effort at manufacturing revitalization and are ready to work with you towards a policy posture that supports growth and innovation throughout the sector.

I am grateful for the opportunity to testify before you today, and I look forward to the opportunity to answer your questions.

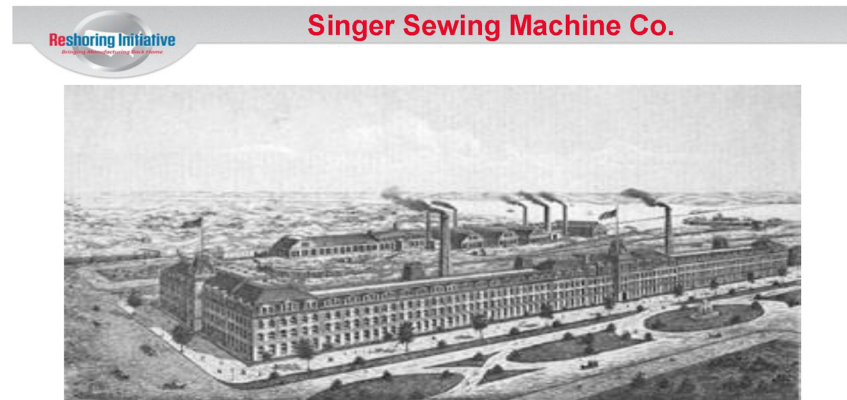
House Committee on Small Business

Congressional Testimony: Made in the USA: How Main Street is Revitalizing Domestic Manufacturing

Harry Moser, Founder & President, Reshoring Initiative

November 20, 2025

Personal experience of offshoring: I grew up in Elizabeth, NJ. The biggest local employer was Singer Sewing Machine's main factory with 3 million sq. ft. and 5,000 employees, the largest factory in the world in the early 20th century. My dad worked his whole career there. I can find no Singer products made in the U.S. anymore. This offshoring phenomenon, extended throughout the country, took us from a trade surplus in 1979 to our current \$1.2 trillion goods trade deficit.



Courtesy: Historical Society Elizabeth, NJ Inc

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Figure 1

Summary: Manufacturing reshoring plus foreign direct investment (FDI) have increased from 11,000 jobs/year in 2010 to 259,000/year in 2024, driven by the Biden and Trump administrations and companies' increasing understanding of the rising costs and risks of offshoring. About 50% of those jobs have been in the small business supplier community. More effective industrial policy could double the rate of reshoring and increase U.S. manufacturing by 40% by 2040, eliminating the goods trade deficit.

Background: A company can only reshore what it has been importing. Big companies/OEMs make the reshoring decisions. Small businesses do much of the reshoring work, producing the components, tools and automation systems needed by their bigger customers. To accelerate small business' reshoring, we need to convince their customers to reshore assembly and component sourcing.

An excellent example: GE Appliances, headquartered in Louisville, KY., has been consistently reshoring and reinvesting in U.S. manufacturing for more than a decade and is the 2025 co-recipient of the National Metalworking Reshoring Award. The company has already invested over \$3.5 billion since 2016 and has announced an additional \$3 billion commitment over the next five years to expand and modernize its U.S. operations, reshoring primarily from Mexico and China. GE Appliances now works with over 6,500 U.S. suppliers across all 50 states, purchasing \$4.6 billion annually in materials, components, and services. Since 2019, the company has increased its domestic supplier base by 58% and increased spending with those suppliers by 69%. Most of these companies aren't household names. They're family-owned machine shops, rural metal stamping operations, and plastics injection molders. For them, long-term contracts with a major American manufacturer can mean hiring more workers, expanding facilities, and investing in new technology.

Root causes of offshoring: Our survey with Plante Moran and our 2025 Reshoring Survey show that manufacturing cost/price is the overwhelming cause of offshoring and the barrier to reshoring. U.S. cost averages 10 to 20% higher than most other developed countries and 50% higher than China. That difference drives big companies to source components and finished products offshore. Pres. Biden's incentives and Pres. Trump's tariffs are, essentially, efforts to level the cost playing field. The cost differential is primarily due to the USD being overvalued by about 20% vs. other developed countries and 100% vs. emerging market countries per the [IMF](#). Figure 2 compares Chinese FOB price to U.S. price for 190 cases. China price averages about 60% of U.S. price.

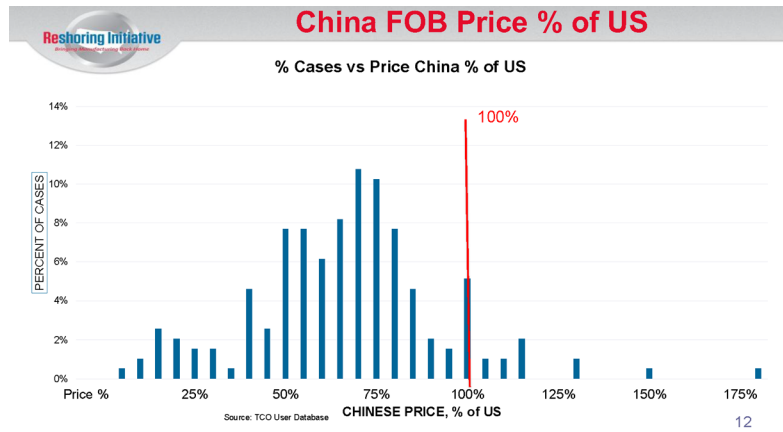


Figure 2

The reshoring plus FDI trend: The number of jobs per year has grown at a compound AGR of 25% from 2010 to 2024. The trend:

- Peaked in 2017 with the tax and regulatory cuts.
- Fell off with the uncertainty of the first U.S. actions to address its trade deficit.
- Picked up with COVID's demonstration of the U.S.' lack of self-sufficiency.
- Peaked again in 2022 with Pres. Biden's incentives such as the CHIPS Act and IRA.
- Softened in 2023 to 2025 as the incentives ran out.

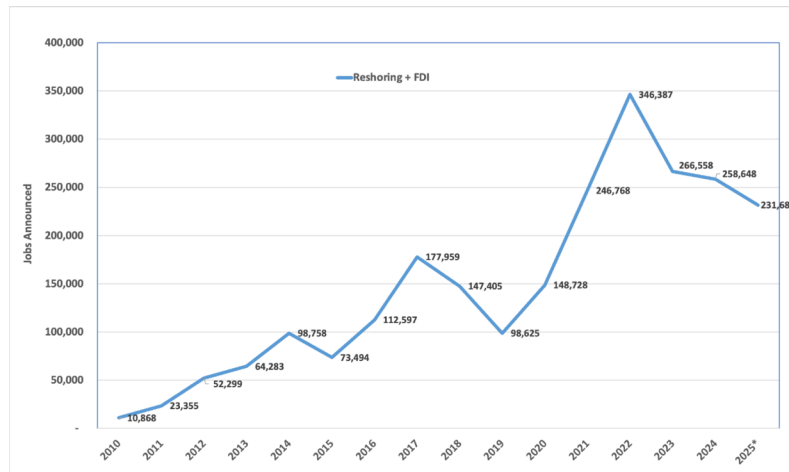


Figure 3

2025 started well, softened in April, probably due to Liberation Day, and is projected to be down 10% from 2024. We have not included in the 2025 cases a broad range of huge announcements that are not firm enough to count but total about \$1 trillion. We believe many of these projects will firm when the tariffs firm in magnitude, coverage and duration. Projects that are motivated by tariffs are less viable w/o the new tariffs.

Root causes of reshoring:

Top factors per our 2025 Reshoring Survey and ideas for actions by small businesses:

- The benefit of having manufacturing near engineering: Participate in the engineering process. Respond more quickly than offshore competitors.
- Freight and duty: Be sure customers' sourcing decisions are at least based on Landed Cost, preferably total cost of ownership (TCO).
- Geopolitical risk: Use our Geopolitical risk map to help customers quantify the risk of decoupling from a source country, e.g. China.

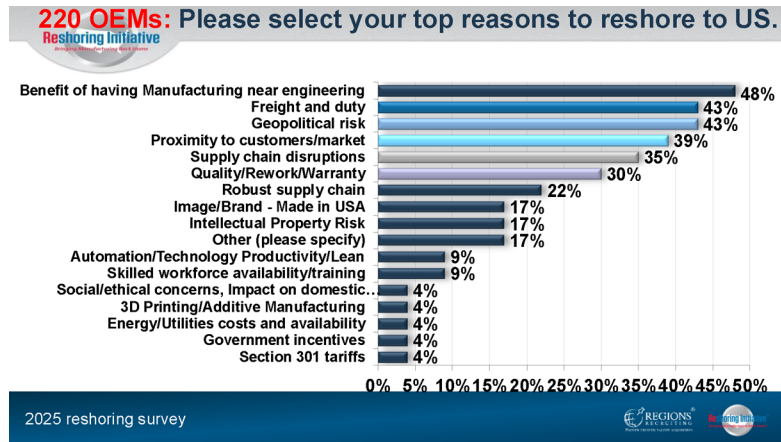


Figure 4

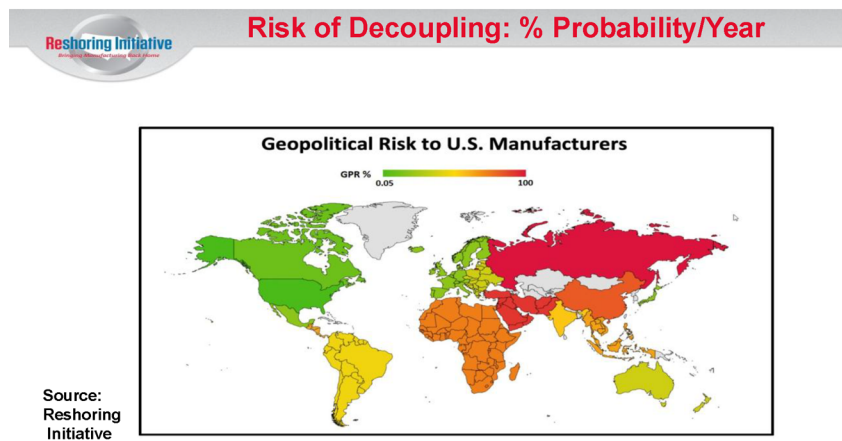


Figure 5

Total cost of ownership (TCO): Companies are increasingly shifting from buying on the basis of price to more comprehensive measures such as TCO, which quantifies all of the relevant costs and risks. The impact of using TCO can be seen in the

figure below which compares U.S. to Chinese sources for 190 cases across a broad range of industries. The U.S. win rate goes from 8% based on FOB or Ex-Works price to 32% based on TCO to 46% if there is a 15% “reciprocal” IEEPA tariff. With a 50% tariff, the U.S. win rate goes to about 60%.



Figure 6

Morey Corp., a Woodridge IL small business, populates circuit boards. They came to us about 7 years ago with a problem. They were about to lose a large order to a lower priced Chinese competitor. We used our free online [TCO Estimator](#) to show the customer that its total cost from Morey was actually lower. Result: a \$60 million order, more than half of a year's sales for Morey.

Kevin Nolan, CEO of GE Appliances, has summarized the importance of doing the math: "I've always said, this is just economics, people are going to realize that the savings they thought they had aren't real, and it's going to be better and cheaper to make them here."

Reshoring myths: Classical economists and pundits often make the following claims:

- *It is inevitable that reshoring will fail. Countries always transition from agriculture to manufacturing to services as they become wealthier.* Actually, the U.S. is only the 10th richest country on a [GDP per capita PPP basis](#). Many

of the similarly wealthy peer countries have manufacturing %s of total employment much higher, e.g. 12% to 22% vs. the U.S. 8 or 9%. These countries have, for decades, had industrial policies that encourage mfg.

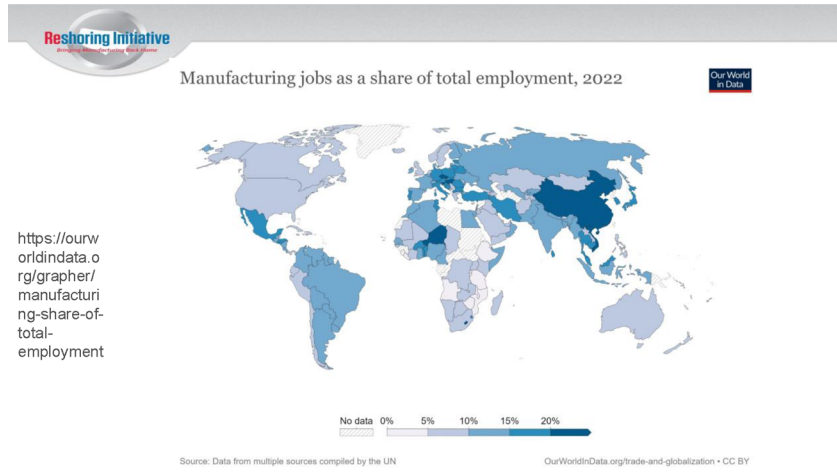


Figure 7

- *Globalization/offshoring is more efficient.* Efficiency is output per unit of input. Actually, reshoring is more efficient, consuming less energy, material and labor. Offshoring is cheaper.
- *Due to automation, no manufacturing jobs will be created.* Actually, we have had an unprecedented, mildly positive increase in mfg. employment since 2010 due to less offshoring and more reshoring and FDI. Current manufacturing employment is about 7 million more than would have been projected in 2010. Balancing the goods trade deficit will increase mfg. output by 40%. Even at substantially higher productivity, we can increase output and employment.

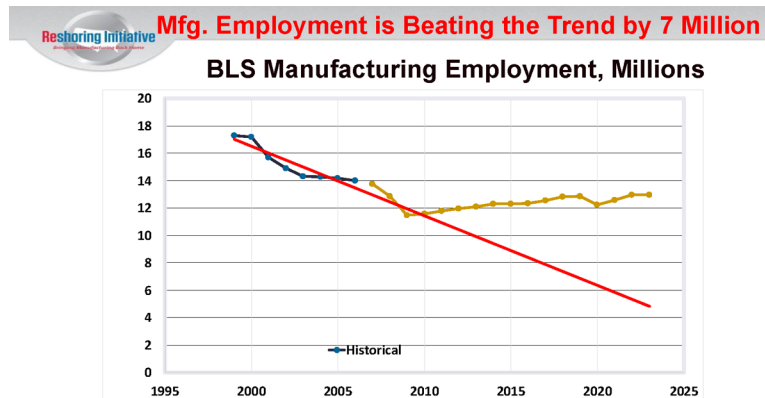


Figure 8

What should the U.S., state and local governments do? Out 2025 Survey identified the actions that would drive the most reshoring. Highest priority went to a larger and more highly skilled workforce.

- DOL: Stop promoting “college for all.” Instead “A good career for all.” Specifically, change Figure 9 to include the average income for apprentice graduates and provide a tool for quantifying the advantages of no college debt and starting to work at 18.

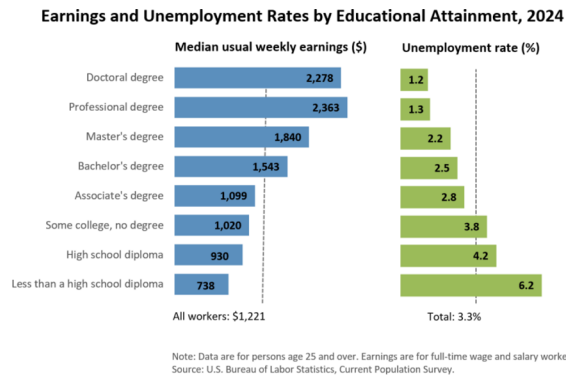


Figure 9

- ED: Provide fewer college loans for low demand majors, more for engineers. Provide “apprentice loans” that the employer pays off if the worker stays on after the apprenticeship.
- State and local: Bring back shop classes and strengthen community college mfg. programs.

Industrial policy recommendations:

- 1st: Skilled workforce and engineers. Increase quality and quantity
- 2nd: Level the cost playing field:
 - 1st choice: Reduce the USD by about 20%. Overcome the root cause of offshoring. Use the [Market Access Charge](#) which was introduced to the 116th Congress by Senator Baldwin.
 - 2nd choice: VAT. Use some of the taxes to protect lower income groups.
 - 3rd choice: Tariffs. If chosen, simplify and stabilize with one rate for everything, from everywhere, forever. Except higher on China.
 - We prefer currency vs. tariffs since currency helps with goods imports and exports and the same for services. Tariffs only help with goods

imports and probably hurts all other categories. Also, currency is much less complicated.

- Do not raise corp. taxes. OBBB's Immediate Expensing was very helpful.
- Pres. Trump and all Congress members: Call on your corporate constituents to all use TCO when sourcing and siting. 100% compliance would bring back 1 million jobs at no expense to the government. We will be working with the Virginia Manufacturers Association to motivate usage in Virginia.
- Reduce the country's cost for healthcare. Healthcare cost is included in burden and built into mfg. cost. U.S. healthcare cost for a family of 4 equals the average Chinese wage. Fixing pharmaceutical costs at the level of peer countries is a good start.

Tariffs:

- Tariffs are high profile pain today for importers and consumers, but will become an economic positive as importers shift to more domestic sources. We need to finalize the agreements ASAP and find a way to lock in the rates thru the next administration.
- Section 232 tariffs on machine tools and robots would make increasing U.S. productivity more expensive for small and large businesses. China's annual consumption of machine tools and robots is twice the U.S.' rate. Chinese mfg. labor productivity has grown a reported 6%/year while ours has been close to 0% for 15 years. To become cost competitive and raise real wages we need to dramatically increase investment.
- Section 232 on steel and aluminum raise the U.S. price of these materials. Many machine shops complain that imported metal products cost less than the raw material cost here.
- For products that are no longer made here, but could be, e.g. almost all manufacturing, delay tariffs on the products subject to the following:
 - Importer commits to building capacity here and submits an aggressive plan to do so.

- As long as the factory stays on schedule, tariffs are deferred or reduced.

What can small businesses do?

- Recruit and train skilled workforce.
- Automate. Example Nedco bought a 5-axis CNC grinder that cut its labor cost 85% and cut scrap to zero. Result: 70% of the shop's work is now reshored. Work that had been lost for years.
- Use TCO when selling against imports or convincing customers to reshore. Only 30% do so.
- Promote the advantages of reshoring.



Nedco:

Automation Enabled Reshoring

- Labor -85%

- Scrap 0%

- Reshoring 70%

Waterbury, CT





Figure 10

What can the SBA do?

- Guarantee capital loans for low credit companies. Require hiring of 1 apprentice per \$250,000 of loan guarantee.

Conclusion: Reshoring has grown rapidly since 2010 with peaks and valleys due to policy actions and COVID. Strengthened skilled workforce and a stable, level cost, playing field are essential for continued growth. Congressional and administration actions are essential. The free market will then take care of picking the winners and losers.



My name is Kurt Voss, and I serve as the President and CEO of the AmeriLux Family of Companies, headquartered in De Pere, Wisconsin. The AmeriLux Family of Companies was founded in 2004 and now employs 350 people. We operate as a manufacturer, value-adding distributor, provider of logistics, transportation, and warehousing services through several integrated businesses:

- **AmeriLux International** – A value-adding distribution company supplying a wide range of building materials founded in 2004.
- **AmeriLux Transportation** – A full-service trucking group supporting safe, reliable delivery for our partners founded in 2012.
- **AmeriLux Logistics** – A warehousing and supply-chain management team providing end-to-end operational support founded in 2015.
- **Shape Products** – A manufacturer and distributor focused on window wells and window well covers for retail partners across the country which we acquired in 2020.
- **American Polycarbonate Company (APC)** – Newly created in 2025, this joint venture between AmeriLux International and Brett Martin (headquartered in Ireland) reshores polycarbonate sheet manufacturing to De Pere, Wisconsin.

AmeriLux International was formed in 2004 because we saw a clear need in the market and believed we could meet it. As our customers' challenges evolved, we grew into new areas where we could add meaningful value, create win-win outcomes, and provide reliable solutions. Every entity within the AmeriLux Family of Companies reflects that same mindset: identify the need, build the capability, and serve partners with reliability and purpose. This approach continues to inform how we operate and grow today.

At the center of everything we do is one core principle: we are in the people business. The relationships we build with our team members, customers, suppliers, and community partners are the foundation of our success. We focus on showing up consistently, communicating clearly, and following through on commitments. Internally, that means hiring for attitude and giving our team members the tools to chase their potential. Externally, it means working with partners in a way that is fair, transparent, and sustainable. AmeriLux has grown because we have invested in these relationships, and that focus continues to guide our decisions and priorities.

Outside of AmeriLux, I remain active in the Greater Green Bay community and serve on several local boards, including the Green Bay Packers. Much of my work outside the company reflects the same people-centric approach that guides our business. One project that holds significant meaning for me is the restoration of a 130-year-old church on the St. Norbert College campus in memory of my daughter, Cassie, which now operates as the Cassandra Voss Center and supports the Olive Branch Initiative's work to encourage dialogue across difference.

As we looked at the long-term needs of our customers and our industry, it became clear that polycarbonate sheet manufacturing required a new approach. The formation of the American Polycarbonate Company was driven by a clear need in the North American market. Through our long-standing relationship with Brett Martin, a leading plastic sheet extruder with more than 60 years of experience, we identified an opportunity to bring polycarbonate sheet production back to the United States. Much of this production has moved overseas, which has created gaps



in availability and limits our ability to control our own destiny as a distributor and partner to our customers. By working together, we saw a clear path to bring this capability back to the United States. APC was created to build that capacity domestically, improve service to customers, and reduce dependence on foreign manufacturing for a material that many industries rely on.

Reshoring this manufacturing process required us to move specialized equipment from Ireland to the United States. We initiated this project long before the new tariffs were announced, with the goal of supporting domestic manufacturing and strengthening supply chain reliability. Under current tariff classifications, importing this equipment resulted in duties that were not structured with reshoring efforts in mind. These costs create a meaningful financial hurdle for companies attempting to build or rebuild domestic manufacturing capabilities, and they work against broader efforts to improve supply chain resilience and expand U.S. production capacity. In our case, the tariff added more than \$150,000 to the project and directly affected how quickly and efficiently we could bring production online in Wisconsin. These unexpected costs also make the long-term success of this domestic operation more challenging.

From the start of the AmeriLux Family of Companies, our progress has come from recognizing opportunities and making a play to meet them. Reshoring polycarbonate sheet production follows that same pattern. It strengthens our supply chain, creates good jobs in our community, supports our team, and allows us to serve our customers more effectively. The tariff applied to this equipment complicates an effort that is meant to support American manufacturing. I understand that with all significant, positive policy changes there will be some unintended consequences. Subjecting financial penalties, like tariffs, on equipment needed to reshore manufacturing to the United States obviously doesn't make sense and should be corrected.

I was asked to provide feedback on other ways that the Small Business Committee could further support small business. I offer the following for discussion:

- Ease banking regulations and compliance costs for small banks to allow them to better serve their customers. Capital formation is critical to start and grow businesses.
- The cost of healthcare continues to escalate, and the current structure is broken. Real reform needs to take place enabling employers and employees to obtain affordable care and to become educated enabling them to better educated consumers of medical services.
- I'm acutely aware of the importance that small business plays in providing for societal needs. The capital derived from successful small businesses benefits this country and its citizens in a variety of ways. It is literally the engine that runs this country. In many ways this is under publicized and I encourage this committee to use its influence to magnify this point.

I appreciate the Committee's time and look forward to any questions that you may have.

Sincerely,

Kurt Voss
President & CEO | AmeriLux Family of Companies

**Written Testimony of Shirley Modlin
Co-Owner, 3D Design and Manufacturing
Powhatan, VA**

**U.S. House Committee on Small Business
“Made in the USA: How Main Street is Revitalizing Domestic Manufacturing”**

November 20, 2025

Dear Chairman Williams, Ranking Member Velázquez and members of the Committee:

Thank you for the opportunity to speak about the importance of America's small manufacturing businesses. I'm Shirley Modlin, the owner of 3D Design and Manufacturing in Powhatan, Virginia, and a long-time member of Small Business Majority. For 20 years, we've supplied both mechanical engineering design services and manufacturing engineering design services. We frequently work with very large corporations in the beverage, pharmaceutical, automotive and space technology industries.

Small manufacturers are a critical part of America's economy because very large manufacturing corporations regularly rely on small businesses like mine to solve some of their biggest problems. For example, when an assembly line at a large business breaks down because a particular machine has failed, we're the first ones called in to diagnose the problem, make the replacement part and repair the machine all within about two days. Our work comes with a lot of pressure because if we don't get the job done quickly, our customers can lose millions.

I'm glad the Committee recognizes the importance of small businesses in revitalizing domestic manufacturing. Unfortunately, I'm here to tell you that my business and many of my peers are struggling under the current economic conditions. We've been in business since 2005 and we've never experienced such turmoil. This is largely due to the crushing tariffs that impact every area of our industry. Our products are made in America but a lot of the aluminum, steel and alloys we use in our manufacturing are imported from Canada and Mexico.

In addition to hurting our bottom line, tariffs create a lot of uncertainty. Over the past year, the tariff rate has changed drastically. I never know if there will be no tariff, a 25% tariff, a 50% tariff or an even higher tariff on aluminum. This makes it extremely difficult to set prices, which hurts our business. While we're being battered about, we cannot do the same to our customers. We quote our job and hold the price for five days. If the customer comes to us a bit later and the prices drastically rise to account for new tariff levels, our customers won't tolerate that and will take their business elsewhere.

After tariffs, our biggest challenge is finding the employees necessary to meet our needs. Small manufacturers like 3D Design and Manufacturing rely on a skilled workforce to fulfill our orders and stay in business. Unfortunately, there is a severe shortage of those workers. When we do bring in a young promising worker on an apprenticeship program, it takes 30 days just to see if they could develop the necessary knowledge and if they have the dexterity to succeed. During that time, we invest a lot of our resources in training them and many don't work out for us. This workforce shortage is urgent as it will only worsen in the coming years: many of our machinists are 30-year veterans of the industry who plan to retire soon.

Recruiting new employees to fill these positions cannot happen overnight, given the level of specialization needed for machinists and mechanical engineers. Even the most promising candidates require training and time on the floor to reach the skill level needed to operate our machines and materials. This is a

necessary but costly investment of time and resources for a small business. Unlike our large competitors, we do not have dedicated training staff, built in redundancies or the ability to put employees on the payroll exclusively for training purposes. 3D and other small manufacturers are willing to make this investment, we have to remain open and competitive. But it can be cost-prohibitive and time-consuming to ensure that new hires are ready and able to replace our retiring employees.

Further, when we find qualified potential employees, our ability to hire them is often limited because of our inability to provide high-quality benefits like healthcare and childcare. I recently interviewed an applicant who rejected our job offer for another opportunity that came with a similar salary but included employer-sponsored health coverage – something we can't afford to offer. Instead, I have my employees provide me with proof of their insurance—which most obtain through the Affordable Care Act (ACA) Marketplace—and then I reimburse them \$350 monthly to help cover their costs.

That's why I'm so concerned about the expiration of the ACA's enhanced premium tax credits (ETPCs), which are critical to getting our workforce covered. If the tax credits expire, it will make our employees' health coverage completely unaffordable as their premiums skyrocket even higher. I'm afraid that they will be forced to choose between prioritizing their physical health or their financial health.

Additionally, childcare accessibility and affordability is a huge struggle for my employees. In my rural area of Virginia, there's a waiting list between 9-12 months to get a spot in a childcare center. And then once someone does get a spot, it costs an exorbitant amount of money. But the challenge doesn't end there. When either the childcare provider is sick or an employee's child is sick, the employee has to take time away from work to care for their child. This impacts our business' productivity as we work on tight timelines, and unexpected employee absences slow us down. I try to be as flexible as I can because my employees come first, but they end up having to take PTO for these absences. It's a painful situation for us all.

Congress can address these challenges in several ways. First and foremost, by exempting small businesses, not just certain industries, from tariffs. Second, by extending the ACA enhanced premium tax credits and investing in childcare providers to increase supply. Third, by working with the small manufacturing community by investing into domestic manufacturing with technical support, incentives, and bolstering our workforce, not slapping a tax on our closest trading partners while we foot the bill.

Small manufacturers like us need your support to succeed in the face of economic headwinds and workforce issues in order to bring manufacturing back to America and create quality jobs on Main Street. I urge you all to support legislation that would help us overcome these obstacles so we can be part of a manufacturing revitalization across the United States and create well-paying jobs.

Thank you again for the opportunity to speak with you today, and I look forward to answering any questions you may have.

Questions for the Record for

Charles Crain
Managing Vice President, Policy
National Association of Manufacturers

Before the

U.S. House of Representatives
Committee on Small Business

Hearing on

“Made in the USA: How Main Street is Revitalizing Domestic Manufacturing”

November 20, 2025

Questions for the Record from

Rep. Nydia M. Velázquez, Ranking Member, Committee on Small Business

1. *NAM's testimony states that: "Manufacturers should be confident that external training programs will meet their needs," which many small business manufacturers do not. Do existing training programs have a sufficient focus on the unique challenges of small businesses? Is there a need or role for greater involvement by the Small Business Administration (SBA) and interagency collaboration to make the programs more reflective of the needs of small manufacturers?*

Small manufacturers know the specific skills their workforce needs to remain competitive, yet they often lack the capacity and resources to design and deliver effective training programs for new or incumbent workers. As a result, they must rely on public and nonprofit partners to provide workforce development solutions. Unfortunately, existing public workforce and education systems do not consistently align training with the practical, job-ready skills manufacturers require. This disconnect wastes valuable time and resources for small businesses that cannot afford inefficiencies. To be effective, training programs must be employer-directed to ensure that the skills gained are immediately applicable in the manufacturing environment.

To address these challenges, public systems must create streamlined opportunities for businesses to inform and shape training offerings. Generally, manufacturing skills needs are not distinct based on company size, so creating opportunities for small businesses to lead will improve systems for all employers. Engagement should be simple, efficient, and drive responsiveness to employer input, avoiding bureaucratic delays that discourage participation. When training programs fail to reflect real-world needs or take too long to implement, small manufacturers disengage, leaving critical workforce gaps unfilled. A collaborative approach that prioritizes employer leadership in program design is essential to ensure training investments deliver measurable value for small manufacturers.

Congress and the Administration should ensure that publicly funded training programs are developed in close collaboration with employers and structured to give small businesses clear, accessible pathways for meaningful involvement and leadership. Programs must minimize administrative complexity and eliminate unnecessary barriers that prevent small manufacturers from engaging effectively. Federally funded initiatives should be incentivized and evaluated based on their responsiveness to employer needs and their ability to integrate small business input quickly and efficiently. By streamlining processes and fostering employer-driven solutions, policymakers can help create a workforce system that equips small manufacturers with the skilled talent they need to thrive in a competitive economy.

2. *NAM's testimony states that SBA loans for manufacturing have already increased by 74% in 2025. Please provide the Committee with the source of and timeframe for that data.*

The SBA issued a press release on April 17, 2025, indicating that the number of SBA 7(a) loan approvals for small manufacturers increased by 74% during the first 90 days of the new administration as compared to the same time period in 2021. That press release is available at: <https://www.sba.gov/article/2025/04/17/sba-manufacturing-loans-skyrocket-under-trump-administration>.



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November 25, 2025

Statement for the Record

National Electrical Manufacturers Association (NEMA)

**Before the House Committee on Small Business
Full Committee Hearing: "Made in the USA: How Main Street is Revitalizing Domestic
Manufacturing"**

Submitted to Chairman Roger Williams and Ranking Member Nydia M. Velazquez

Chairman Williams, Ranking Member Velazquez and Members of the Committee:

The National Electrical Manufacturers Association (NEMA), on behalf of its more than 300 electroindustry manufacturers, appreciates the opportunity to submit this statement for the record regarding the Full Committee hearing "Made in the USA: How Main Street is Revitalizing Domestic Manufacturing." NEMA appreciates the significant effort and longstanding leadership the Committee has shown to elevate and address the challenges facing small businesses and writes to highlight the nation's only program that assists manufacturers, including small businesses, in navigating and certifying domestic content requirements, such as those included under the Build America, Buy America (BABA) Act. Further, NEMA also writes to highlight a tariff incentive proposal which could directly action the Congress and Administration's energy, artificial intelligence, and domestic manufacturing goals to assist small and mid-sized manufacturers and address key inputs needed to meet rising power demand.

NEMA Overview

NEMA is the leading trade association and standards development organization (SDO) representing U.S. manufacturers of electrical goods (the electroindustry). NEMA's more than 300 member companies directly employ over 580,000 U.S. workers in more than 12,500 facilities across all 50 states and contribute more than \$330 billion to the U.S. economy. Small and medium sized manufacturers represent 47% of NEMA's membership. NEMA members are leading producers of manufactured goods for the grid, industrial, built environment, and mobility sectors. Supporting small businesses is a strategic priority to maintain U.S. manufacturing capacity, strengthen supply-chain resilience, and ensure American competitiveness in a global market.

The electroindustry is one of the largest manufacturing sectors of the U.S. economy. Electrical manufacturers have invested more than \$185 billion in U.S. manufacturing since 2018 and directly supports over a half million jobs for American workers across the country. NEMA members manufacture products that are critical to infrastructure and deliver power and improve operations throughout the country including in homes, businesses, commercial facilities, hospitals, and transportation. These products are vital to helping achieve many of Congress' top priorities, including growing America's energy dominance, winning the artificial intelligence and data center race, ensuring a secure and resilient grid, and expanding domestic manufacturing capacity and jobs.



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In the electroindustry, small and medium-sized manufacturers drive local and regional economies, anchor U.S. supply chains, and ensure that domestic production capacity remains resilient and globally competitive. By focusing on the needs of these manufacturers, the Committee strengthens the broader manufacturing ecosystem and supports the domestic capabilities required to meet rising national demand for modern grid infrastructure, safe and reliable transportation systems, greater energy independence, and relief from rising energy costs.

Make It American™

The Bipartisan Infrastructure Law¹ included BABA, which sets stringent domestic content requirements for iron and steel, construction materials, and manufactured products in infrastructure projects receiving federal funding. Underlying BABA is the premise that federally funded infrastructure projects should support American industry, workers, and communities.

The complexity of overlapping domestic content requirements—from traditional Buy America provisions to the newer BABA framework—has created confusion across the manufacturing sector, particularly for small and medium-sized manufacturers. Under BABA specifically, a lack of consistent and timely guidance has made it difficult for manufacturers to understand, interpret, and comply with the requirements. Each federal agency administering infrastructure funds has issued slightly different rules or interpretations, resulting in uncertainty and an unclear pathway to compliance.

This fragmentation has created real-world challenges for U.S. manufacturers and small businesses, and it has also become a major bottleneck for states, local governments, and suppliers engaged in federally funded infrastructure projects.

To help address these challenges, in April 2025 NEMA launched the Make It American Certification Program—a private-sector-led initiative designed to support manufacturers in navigating BABA's domestic content requirements. The Make It American program strengthens public-sector efforts by providing a consistent, transparent, and auditable method to verify domestic content, helping ensure that U.S. manufacturing can fully participate in building America's infrastructure.

How Make It American Works

Make It American is a voluntary, third-party certification program created by NEMA to help manufacturers navigate and demonstrate compliance with BABA's domestic content requirements. Building on NEMA's four decades as an ANSI-accredited standards development organization, NEMA established the NEMA 70901-2024 process standard, *Compliance with Domestic Preference Requirements for Infrastructure Projects*.² This standard provides a uniform framework for supply-chain transparency, verification, and the consistent application of BABA requirements to products used in federally funded infrastructure projects.

¹ U.S. Congress. "H.R. 3684 – 117th Congress (2021-2022): Infrastructure Investment and Jobs Act." <https://www.congress.gov/bills/117th-congress/house-bill/3684>

² National Electrical Manufacturers Association, "NEMA 70901-2024: Compliance with Domestic Preference Requirements – Build America, Buy America Act (BABA)." <https://www.nema.org/standards/view/compliance-with-domestic-preference-requirements>.



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The program is built around two complementary components: a process standard that enables transparent supply-chain evaluations and domestic-content calculations, and a suite of BABA Product Specifications that set product-specific criteria for determining BABA compliance. NEMA has published six product specifications to date, with additional categories under development. Together, these standards create a reliable and auditable mechanism for establishing and verifying BABA compliance across diverse manufacturing operations.

To achieve certification, manufacturers undergo an independent, third-party audit that evaluates conformance with the NEMA 70901-2024 process standard at the facility level and, if they choose, assesses product-level compliance based on the specific products they manufacture and the proper application of the relevant product-specific criteria. The standard is intentionally flexible and universally applicable, making it suitable for any U.S. manufacturing facility, (not only those in the electroindustry) seeking to demonstrate its ability to produce BABA-compliant products and meet domestic content requirements. It confirms that manufacturers have robust systems for supply-chain evaluation, domestic-content tracking, and documentation integrity, ensuring a consistent and reliable approach to compliance across industries.

Manufacturing facilities that meet the program requirements are added to the NEMA Make It American BABA Registry, a publicly accessible directory used by contracting officers, engineers, and project developers to identify compliant manufacturers.³ Certified companies may also use the NEMA BABA Product Mark, allowing them to distinguish specific product lines as NEMA-certified BABA compliant in the marketplace.

NEMA's current BABA product specifications cover high- and medium-voltage distribution equipment, low-voltage power distribution equipment, connected building systems, grid automation technologies, variable frequency drives, and wire and cable. This verification and associated licensing give manufacturers a clear, defensible basis for making BABA compliance claims and help ensure transparency and confidence throughout the infrastructure supply chain.

Small and medium-sized manufacturers are deeply engaged in the Make It American Program, with many operating facilities that have obtained NEMA's process certification and producing NEMA-certified, BABA-compliant products aligned with NEMA's BABA Product Specifications. These companies rely on the program to demonstrate compliance, increase their visibility in federal procurement, and compete for infrastructure projects on a level playing field. Businesses such as TESCO Metering in Bristol, Pennsylvania, and Master Control Systems, Inc. in Lake Bluff, Illinois, two of the first companies to achieve NEMA certification, illustrate how small and medium-sized manufacturers are leveraging the program to strengthen their competitiveness and expand their participation in federally funded infrastructure projects.

Make It American is an Official Industry Resource Recognized by the Federal Government

NEMA's Make It American Program is listed by the U.S. Federal Highway Administration (FHWA) as an official industry resource guiding manufacturers through federal domestic preference policies

³ National Electrical Manufacturers Association, "Make It American™ BABA Program & Certification."
<https://www.makeitelectric.org/nema-programs/make-it-american/nema-make-it-american/>



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for infrastructure projects.⁴ The designation affirms Make It American as a validated resource for stakeholders across the supply chain – manufacturers, contractors, and state departments of transportation working to meet domestic content requirements for federally funded highway and transportation infrastructure projects.

FHWA's guidance highlights how NEMA's program provides plain-language compliance support, standardized attestations, product-content worksheets, and clean audit trails that align with federal regulations.

NEMA is actively expanding the Make It American Program into additional product-specification categories, including industrial automation systems, motor systems, intelligent transportation signals, and dynamic messaging signs, to meet growing demand across the electrification and grid-modernization landscape. NEMA is also working with other manufacturing sectors, such as gear manufacturers, valve producers, and appliance makers, to broaden the program's applicability and support a wider range of industries seeking to demonstrate BABA compliance. These expansions will make it easier for project developers and suppliers to source compliant equipment, reduce documentation and verification burdens, and strengthen domestic supply chains as domestic content requirements and enforcement continue to tighten and as more products are manufactured in the United States.

NEMA's Tariff Incentive Proposal

The U.S. Congress and the Trump Administration have appropriately prioritized expanding domestic manufacturing and strengthening America's domestic energy and resource capabilities. Electrical infrastructure is central to these goals, and NEMA members have invested more than \$185 billion in U.S. facilities since 2018 to expand production, modernize operations, and meet rising demand for reliable power. However, many manufacturers, especially small and medium-sized firms, still face supply-chain gaps. Essential inputs are not always available domestically, and supply chains cannot shift overnight. Broad tariffs on goods with no U.S. alternative raise costs, delay projects, and slow progress on grid development and domestic manufacturing growth.

To keep trade policy aligned with national energy and manufacturing goals, NEMA urges adoption of a targeted, time-limited Tariff Incentive Framework⁵ that rewards domestic investment and supports U.S. manufacturers while supply chains onshore. The framework includes three complementary incentives: a Capital Investment Incentive offering a tariff offset tied to investments in new or expanded U.S. facilities; a Grid Infrastructure Incentive providing a tariff offset for goods or materials needed to build and operate substations, distribution equipment, on-site generation, and data-center electrical systems; and a Domestic Manufacturing Incentive offering a tariff offset for manufactured products meeting federal domestic-content requirements.

⁴ Business Wire, "Federal Highway Administration Recognizes NEMA's Make It American™ Program; NEMA Expands Certification Offerings." <https://www.businesswire.com/news/home/20251021850280/en/Federal-Highway-Administration-Recognizes-NEMAs-Make-It-American-Program-NEMA-Expands-Certification-Offerings>

⁵ National Electrical Manufacturers Association (NEMA). "Tariff Incentives for U.S. Energy & Manufacturing (Tariff Offset Proposal v11 – 2025)". <https://www.makeitelectric.org/wp-content/uploads/Documents/unnamed-file/Pages/tariff-offset-proposal-nema2025-v11.pdf>



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Together, these incentives accelerate domestic production, support near-term grid and data-center deployment, and strengthen U.S. competitiveness.

Rising tariffs on components not yet produced in the United States risk diverting capital away from expansion projects and slowing grid modernization and manufacturing growth. Electrical equipment makes up more than one-third of an AI data-center build, and more than 1.5 million American jobs depend on the electroindustry. A focused tariff-incentive framework would protect grid reliability, support U.S. jobs, and ensure the nation can capture the full economic potential of the electrification and AI economies.

Conclusion

The Make It American Program strengthens U.S. manufacturing by providing a rigorous, trusted certification framework that reduces compliance uncertainty, improves transparency in procurement, and positions NEMA certified manufacturers and products to succeed in a market where domestic content is both a requirement and a competitive advantage. The program provides a comprehensive and simplified pathway for small businesses to participate in federally funded projects and will help bolster domestic manufacturing capacity while providing certainty to agencies overseeing federally funded projects.

Further, NEMA's Tariff Incentive Proposal provides a pragmatic pathway to directly action the Congress and Administration's energy, artificial intelligence, and grid infrastructure objectives while addressing the need for key inputs not yet domestically available in sufficient quantity in the U.S.

NEMA remains committed to supporting small businesses, strengthening domestic supply chains, and ensuring that federal infrastructure investments deliver maximum benefit to American workers, communities, and businesses. We appreciate the Committee's leadership in elevating the needs of small and medium-sized manufacturers, and we look forward to continuing to provide an industry led resource to small businesses to certify domestic content, expand U.S. manufacturing capacity, accelerate modernization of the nation's infrastructure, and maintain America's global competitiveness.

Sincerely,

A handwritten signature in cursive script that reads "Brian Papp Jr."

Brian Papp Jr.
Managing Director, Government Relations
NEMA



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An Industry Led Solution to Verify Domestic Content

NEMA's **Make It American™** program provides manufacturers with rigorous, standards-based certification for facilities and products that meet domestic content requirements, including Build America, Buy America (BABA) rules.

\$185 Billion

Invested in U.S. manufacturing by electroindustry

190,000 Jobs

Created by electroindustry across the U.S.



Leveraging Make It American for Broader Manufacturing Sector

Scalable Across Industries

NEMA's BABA Process Standard (2020-2024) is a flexible framework suitable for any U.S. manufacturing facility seeking to demonstrate domestic content.

Collaborative Expansion

NEMA is partnering with trade associations and manufacturers in adjacent sectors to broaden adoption and increase market penetration.

Standards Leadership

Utilize NEMA's role as a Standards Development Organization (SDO) to create new BABA product specifications tailored to diverse manufacturing categories.

Amplified Market Impact

Working with federal and state agencies, and supply chain stakeholders to drive broader recognition and acceptance of Make It American certification marks.

Process & Product Certification

The program includes facility certification to the **Make It American™ Process Standard**, which provides a clear, practical framework for evaluating supply chains across all company types. Additionally, organizations certify their products to NEMA's **BABA Product Specifications**.

Participating organizations undergo a third-party expert audit to assess both their conformance to the supply chain evaluation standard and their application of product-specific criteria to the products they seek to certify.

Current BABA Product Licenses & Certifications

- Low-Voltage Power Distribution Equipment (LVDE)
- Wire and Cable

Coming Soon

- Connected Building Systems & Control
- Grid Management & Automation
- High- and Medium-Voltage Distribution Equipment
- Variable Frequency Drives and Drive Systems

Certification Issued by NEMA

Companies that successfully complete the audit(s) are issued a certification mark(s) for use at the facility and product level.




Once certified, companies are listed on NEMA's **Make It American BABA Registry**.





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