

Ranking Member Nick J. Rahall II
Rayburn House Office Building, Rm. 2307
U.S. House of Representatives
Washington, DC 20515

Dear Ranking Member Rahall:

The improvements and expansion of domestic manufacturing requirements in the “Invest in American Jobs Act of 2011” are an important step towards creating and sustaining good jobs for American workers and ensuring effective use of U.S. taxpayer dollars.

The “Invest in American Jobs Act of 2011” will strengthen domestic procurement requirements for investments in highway, bridge, public transit, intercity passenger rail, and aviation infrastructure and equipment programs, while providing critical support for companies that manufacture products in the United States, boosting wages and employment in the United States.

Manufacturing jobs have high indirect job creation benefits. On average, each manufacturing job supports 2.5 jobs in other sectors, and, at the upper end, high-tech manufacturing job supports 16 jobs in the US economy.¹ These jobs pay 21 percent more in wages and benefits than the average wage, and they more often provide health, pension, and other benefits.²

Purchasing American-made products as a part of our transportation and infrastructure investments will benefit industries across the US. The benefit of avoiding the “leakage” of U.S. funds overseas has been cited by economists across the political spectrum, and the “Invest in American Jobs Act of 2011” could increase U.S. manufacturing job creation by 33% while ensuring that taxpayer dollars actually go directly to job creation.³ The bill will also add new and needed transparency and accountability to the waiver process.

Strengthening Buy America policies also provide innovation and productivity benefits. Manufacturing is responsible for 70 percent of all private-sector research and development spending and 90 percent of all American patents.⁴ Manufacturing is also a productivity powerhouse and major driver of economic growth. Between 1997 and 2005, labor productivity in manufacturing grew 60 percent more than in the economy as a whole.⁵ Every dollar in final sales of manufactured products supports \$1.37 in other sectors of the economy, compared to about 50 cents for every dollar of activity in the financial services sector.⁶

At a time when jobs are hemorrhaging and industrial production is at historic lows, the “Invest in American Jobs Act of 2011” can put people back to work and help restore American manufacturing as the engine for economic growth. The BlueGreen Alliance supports your efforts and looks forward to working with Members across both aisles to achieve results that benefit American workers and the American economy.

Sincerely,



David Foster
Executive Director, BlueGreen Alliance

1 Hindrey, L., et al. “FDR Had it Right,” The American Prospect (December 21, 2009).

2 American Community Survey, 2005-2007 data; Yakimov, G. and Woolsey, L. Innovation and Product Development in the 21st Century (Hollings Manufacturing Extension Partnership Advisory Board, February 2010).

3 Heintz, Pollin, Garrett-Peltier, “How Infrastructure Supports the U.S. Economy.”

4 A Framework for Revitalizing American Manufacturing (Executive Office of the President, December 2009).

5 Schweninger, S. and Sherraden, S. Manufacturing and the U.S. Economy (New America Foundation, July 2009).

6 “America Needs a Manufacturing Strategy” (New America Foundation, February 3, 2010).