COMMUNITY OPPORTUNITY

A VISION FOR RENEWAL

CONGRESSWOMAN
CLAUDIA TENNEY

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DEAR FRIENDS,

The Southern Tier, Mohawk Valley, and Central New York were once a thriving manufacturing hub, with a robust industrial sector that offered families stable, well-paying jobs that supported strong communities. Our region drove the nation's growth for generations, starting with construction of the Erie Canal 200 years ago. Our small businesses and large employers thrived, and young people stayed to put their skills to work in rewarding careers.[1] Great American employers, such as IBM in Endicott, General Electric in Utica, Oneida Limited in Sherrill, and Remington Arms in Ilion invested in the area and hired generations of residents. The unmatched combination of economic stability, strong communities, and rich natural beauty made New York's 22nd District a wonderful place to live and work.

Our region still is a remarkable place to call home, but much has changed over past decades. Starting in the 1970's, the industrial powerhouses that drove our economy began to shutter. Their operations moved away, some to other states but many overseas. It was a one-two punch of federal and state policies that decimated our industrial base, hurting workers and many local businesses. Policies at the federal level put a premium on global integration over the American worker, sending our jobs overseas to places like China. Closer to home, in Albany, crushing regulations and sky-high taxes made the once great Empire State among the most difficult places in the country to start a business and raise a family. In the eight years between 2000 and 2008, upstate New York lost over 100,000 manufacturing jobs. Our region continues to suffer lasting economic and social stagnation as a result.

These policies served the interests of corporations at our expense. They drove up profits and delivered lower priced foreign goods to our stores. But they did so without any regard at all for the toll on the health and welfare of communities like ours. Too often, in exchange for big box stores offering cheap imported goods, we lost generational small businesses on Main Street as well as the manufacturing jobs that supported families and entire communities for so long.

As soon as I returned to Congress this year, I launched a Small Business Outreach Tour, hosted 12 small business roundtables or town halls with employers and workers, toured more than two dozen small businesses, and met with countless business owners to hear directly from them. I also conducted a Community Opportunity Survey for individuals and businesses in our community that has provided critical feedback on the concerns of those living in our area. The town halls, roundtables, business visits, and survey results all raised reoccurring issues. Small business owners consistently expressed the difficulties they experience in hiring, growing, and keeping their doors open, while individuals shared their frustrations over the lack of opportunity. Employers also pointed repeatedly to state policies that burden them with high taxes, harmful regulations, and rules that create adversarial relationships with their employees. They also identified national policies that have left our community with a tax code that under-prioritizes manufacturing, and trade policies that disadvantage American businesses. None of this comes as any surprise to me. I have experienced many

1 In the late 1970s, manufacturing made up over one-third of total employment in Binghamton: https://www.newyorkfed.org/medialibrary/media/research/quarterly_review/1978v3/v3n3article6.pdf

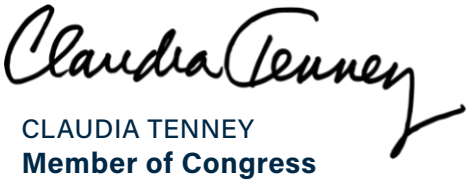
of these same frustrations and struggles as a small business owner, most recently operating a printing business started by my grandfather in 1946.

The pandemic exacerbated many of these concerns, while underscoring the vital importance of restoring American manufacturing, reenergizing the Made in America movement, and liberating our economy from an over-reliance on fragile global supply chains. My focus in Congress is to develop and advance workable solutions to address these issues and restore prosperity to our region. This means speaking difficult truths on how we got here and taking on entrenched interests at all levels of government. To restore dynamism and unleash opportunity, we can no longer take a completely laissez faire approach to deindustrialization, which has left rural communities and legacy cities like ours behind.

This report details key findings from my meetings with small businesses, results from my recent Community Opportunity Survey, and an overview of the policies I am supporting in Congress to empower our area and the nation. As you will see, the key lies in once again prioritizing investment in advanced manufacturing, aligning the workforce with the needs of local businesses, and encouraging broadly shared economic and social prosperity.

I believe strongly that this is one of the most important fights of our time. I raised my son in New Hartford, New York, across the street from my childhood home. I worked alongside my family to grow the business my grandfather started after World War II. It is my mission to ensure that my son and future generations have the same opportunities that I did in the community that is so dear to my heart and yours. I hope you will read this report and share your thoughts with me. With your support, I'm laser-focused on building an economy that works for everyone.

Sincerely,



CLAUDIA TENNEY
Member of Congress

EXECUTIVE SUMMARY

Like many regions of the country, the eight counties that make up New York's 22nd Congressional District (NY-22) have experienced economic and social decline in recent decades. This is in large part a result of policy choices made in and outside of government that neglected the needs of ordinary American families and communities. The much talked about wave of globalization that began in earnest in the 1990s was supposed to deliver creative destruction. In other words, we were told that the prizes of globalism would far outweigh its perils. Cheaper labor abroad would deliver more goods to Americans at a lower cost.

But as it turns out, the reality was far more complex. This degrading of our quality of life is felt across our communities. In the manufacturing sector, regions like ours are now on the receiving end of this destruction. This report details the decline that has come to upstate New York's manufacturing base. It builds on quantitative data as well as my meetings with small businesses from across NY-22 and a Community Opportunity Survey I conducted this year, which received feedback from nearly 2,000 individuals. Based on this analysis and the feedback provided by our community, this report proposes several solutions that will move us in a different direction to reinvigorate the next generation of innovative American industrial leadership. First, it includes increasing access to financing for manufacturing firms, especially smaller ones. Second, it requires domestic content requirements for critical goods. And finally, it demands that we rethink our engagement in multilateral bodies that harm workers and compromise America's core interests and values.

Although the report focuses on NY-22, it tells a story that is familiar to diverse regions across the United States. Similarly, the policy proposals put forth here are widely applicable, and if adopted, would increase stable, broadly shared prosperity, not just in our community, but across the nation.

KEY FINDINGS

Nearly 63% of individuals and 45% of small businesses surveyed by my office said that they considered leaving upstate New York in the last several years alone. Less than 40% of individual respondents stated that they are satisfied with employment opportunities in our area.

The decline in manufacturing jobs experienced by NY-22 and so many other regions of the country is the result of deliberate policy decisions that have been made over the years. Thankfully, we can identify and address them. Just as bad policies contributed mightily to the present condition, good policies can contribute to restoring prosperity to our region.

Trade, regulatory, and tax policies have punished production and physical investment in manufacturing, created conflict between workers and management, and given foreign importers an artificial advantage over American manufacturers.

Policymakers and the business community have undervalued manufacturing and production, placed too much faith in the durability of fragile supply chains, and discounted the intrinsic value that work has on building strong individuals, families, and communities.

Tax cuts and deregulation alone, while absolutely necessary, are insufficient conditions for the advancement of the high-value, export-focused production enterprises that built our nation and could restore well-paying jobs, and provide a range of other positive externalities.

It is time for lawmakers to reassess policies that support struggling regions of the United States and implement innovative policies to empower the creation of durable growth, in which contributions to production are given equal value to consumption.

Well-constructed policies that harness the power of private enterprise to reverse these harmful trends are necessary to renew prosperity in our region. There are three primary things I am working to do in response:

(1) expand government-backed investment for manufacturing industries;

(2) increase domestic production requirements for critical goods; and

(3) reorient international organizations toward American interests and away from the interests of global elites in Washington, New York, and Brussels.

SURVEY FINDINGS

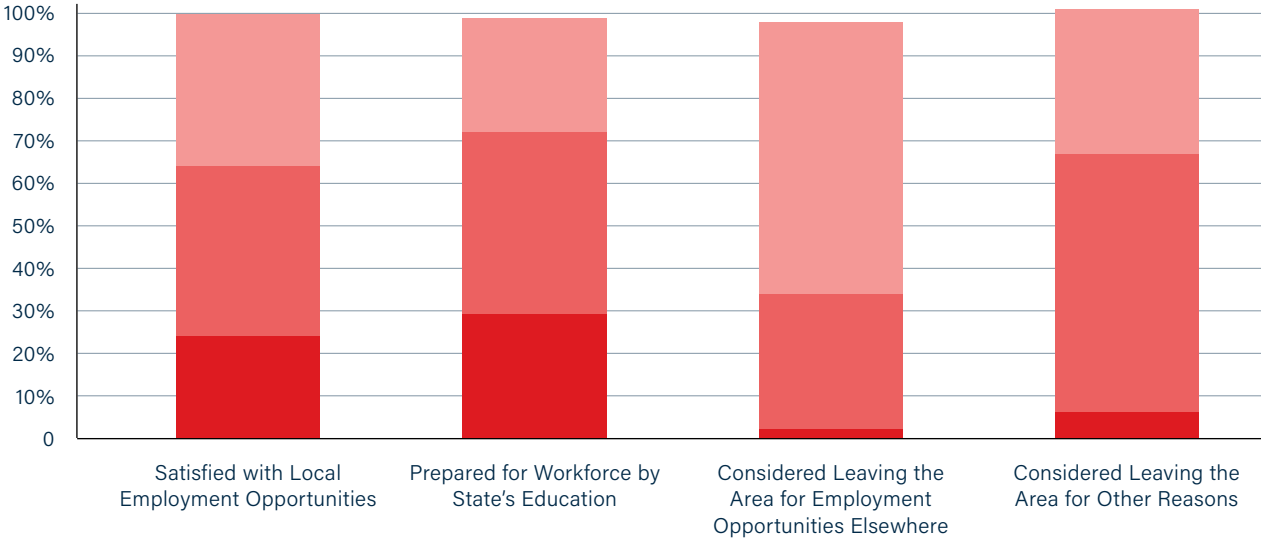
COMMUNITY OPPORTUNITY SURVEY

My office conducted a survey of nearly 2,000 NY-22 residents. The findings of which show the many challenges facing our region.

- Of the survey respondents only 48% of NY-22 residents are satisfied with the quality of life in our area. A 2019 Gallup poll found that 77% of Americans are satisfied with the overall quality of life nationally.[2]
- Nearly 63% of survey respondents said that they considered leaving upstate New York in the last three years alone, more than half of those who weighed moving did so to find economic opportunity elsewhere. Less than 40% of respondents stated that they are satisfied with employment opportunities in our area.
- For respondents under 55, over 50% said they considered leaving the area for opportunities elsewhere in the past 3 years, and less than 20% said they had not considered leaving for any reason.

Figure 1: Community Opportunity Survey Results

**Some figures may not equal 100% due to rounding.*



	Satisfied with Local Employment Opportunities	Prepared for Workforce by State's Education	Considered Leaving the Area for Employment Opportunities Elsewhere	Considered Leaving the Area for Other Reasons
No	36%	27%	64%	34%
Yes	40%	43%	32%	61%
Other	24%	29%	2%	6%

2 https://news.gallup.com/poll/246236/satisfied-quality-life-opportunity.aspx

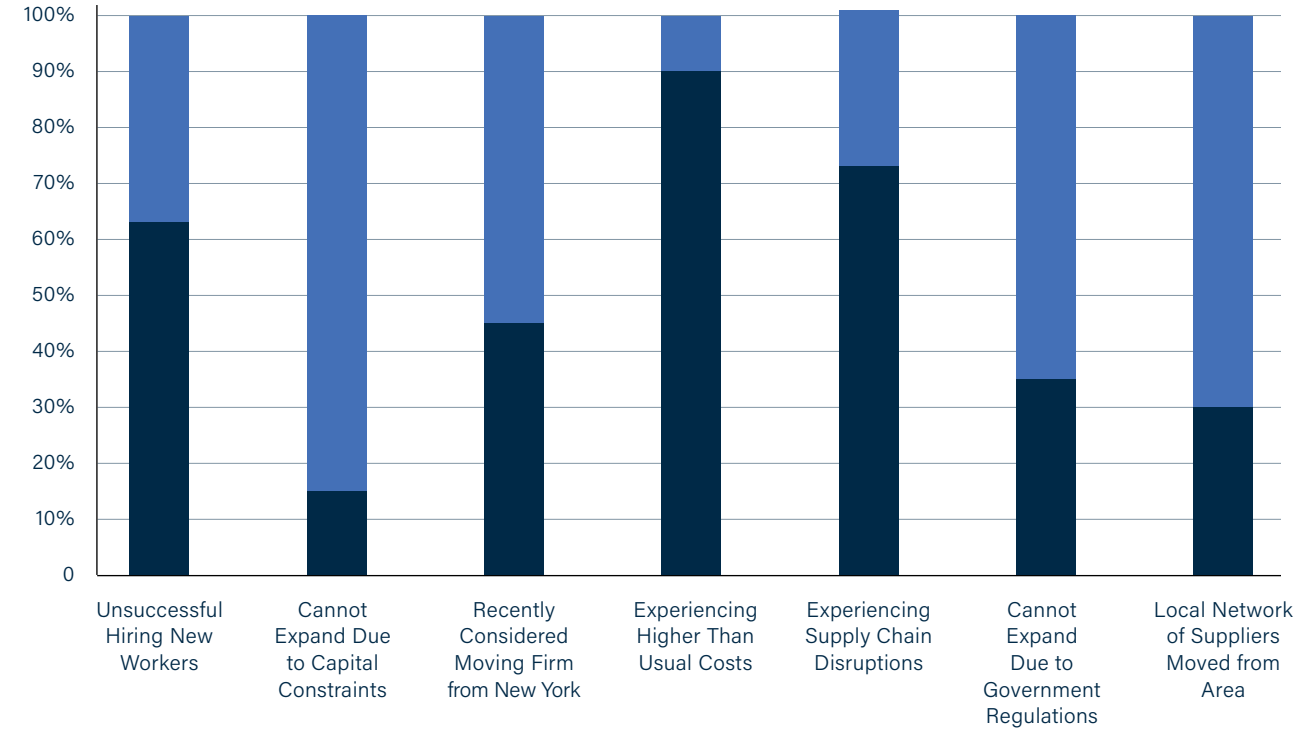
SMALL BUSINESS FOCUS GROUP

In addition to the Community Opportunity Survey of NY-22 residents, my office held a digital focus group with 40 local businesses. The results, which are summarized below, paint a picture of a challenging economic environment in which it is difficult to hire, grow, and maintain business operations.

- Nearly every business surveyed (90%) reports experiencing higher costs than in past years and nearly 80% of those businesses stated they have had to pass along those costs to consumers.
- 63% of businesses reported being unable to hire new workers. Of this group, over 56% reported that applicants lacked the necessary skills for the work and 20% report that potential workers did not even apply.
- 73% report experiencing supply chain disruptions that impact their business operations. Of this number nearly 52% are for foreign goods that do not have readily accessible domestic alternatives.
- Of the 15% of businesses who answered a lack of access to capital has prevented their recent growth, 33% are in manufacturing industries and all are firms with under 100 employees. This suggests that smaller firms, particularly in capital intensive industries have a more difficult time obtaining financing to grow.

Figure 2: NY-22 Business Opportunity Questions Results

**Some figures may not equal 100% due to rounding.*



	Unsuccessful Hiring New Workers	Cannot Expand Due to Capital Constraints	Recently Considered Moving Firm from New York	Experiencing Higher Than Usual Costs	Experiencing Supply Chain Disruptions	Cannot Expand Due to Government Regulations	Local Network of Suppliers Moved from Area
No	**38%**	**85%**	**55%**	**10%**	**28%**	**65%**	**70%**
Yes	**63%**	**15%**	**45%**	**90%**	**73%**	**35%**	**30%**

OPPORTUNITY DENIED
A SNAPSHOT OF DECLINE

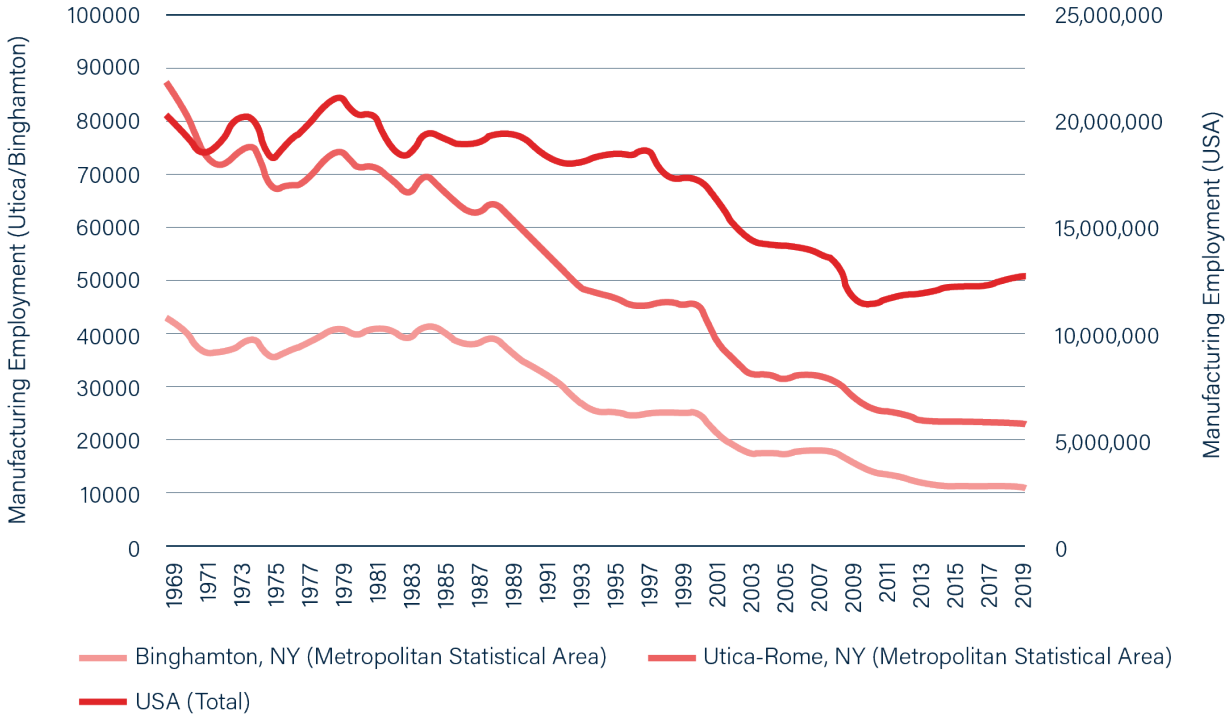
Employment in the manufacturing sector was once widely available to Americans looking for work, especially here in upstate New York. These jobs were a solid ticket to the middle class. They provided incomes sufficient to comfortably support a family. This was clearly the case in the communities that comprise NY-22. In Endicott, IBM's "Plant Number One" grew to a sprawling campus of 25 buildings where thousands of workers were employed. In Utica, General Electric employed 6,000 workers and invested heavily in the local community.

Between 1965 and 2000, U.S. manufacturers employed roughly 17 million Americans before a precipitous drop around the turn of the millennium.[3] In NY-22, however, the decline began earlier, pressed on for longer, and did not stabilize following the Great Recession.

During the second half of the 20th century, the dominant economic thinking shifted from a focus on domestic production, productivity, and self-sufficiency to prioritizing low-cost consumption. This was the ideology that pervaded the discussions surrounding the North American Free Trade Agreement (NAFTA) (1994) and Permanent Normal Trade Relations (PNTR) with China (2001), two of the most consequential American trade policies in recent decades. Yet while the cost of many goods and services declined in subsequent years as promised, America's

3 https://www.oecd.org/unitedstates/us-manufacturing-decline-and-the-rise-of-new-production-innovation-paradigms.htm

Figure 3: Manufacturing Employment: NY-22 vs. U.S.
****Data Source: U.S. Bureau of Economic Analysis***



manufacturing sector was hollowed out and communities like ours suffered significant harm. Between 1997 and 2018, the United States experienced a net loss in manufacturing plants every single year, bringing the total destructuion to nearly 5 million manufacturing jobs and over 91,000 manufacturing facilities.[4]

Those responsible for American trade policy abandoned the great Hamiltonian tradition of prioritizing our nation's producers and economic health against foreign actors. At the same time, the stewards of our domestic policy saw fit to punish the American economy and stifle our small businesses through crushing regulations and a tax code that discourages hiring and production. This is true at the federal level, but especially at the state level in New York.

In Washington, advocates for environmental reform helped pass the National Environmental Policy Act, signed into law by President Richard Nixon in 1970. This law was noble in its intentions and perhaps necessary for a time when smog was a present threat across American cities. Yet today, it places costly, time consuming, and onerous burdens on manufacturers, builders, and other economic drivers. The recently signed Infrastructure Investment and Jobs Act was a missed opportunity for serious reforms that would maintain strong environmental protections while making it easier and less expensive to build and invest in infrastructure.

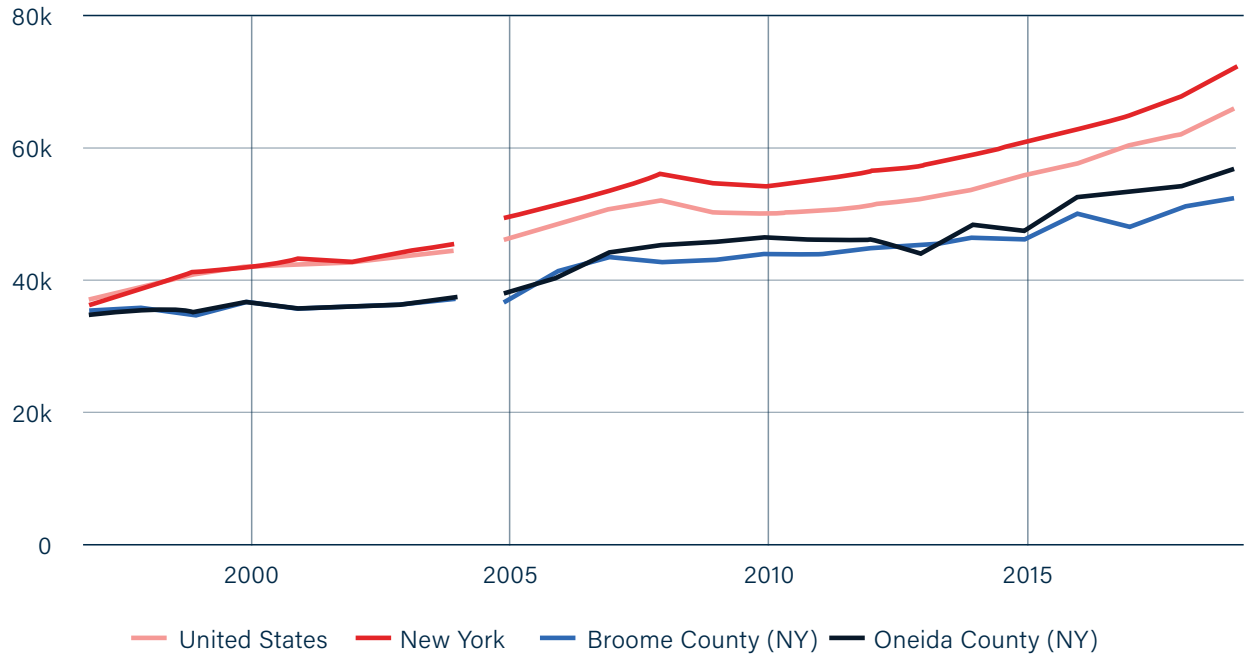
In New York, crushing income, property, and sales tax rates have impeded decades of new business formation and harm labor intensive manufacturing industries. For instance, New York's effective state and local taxation rates outpaced the national average since 1970 by an average of nearly eighty percent annually.[5] We as New Yorkers feel these crushing burdens every day in any number of ways. It comes as no surprise then that national rankings of state business climates show New York consistently at the bottom of the list. In its 2021 State Business Tax Climate Index, the Tax Foundation ranks New York State an abysmal 48, only beating out California and New Jersey for the lowest position.[6]

More recently, disgraced former Governor Andrew Cuomo further damaged upstate New York's business climate when he placed a moratorium on hydraulic fracturing in 2014. While Cuomo and his political allies raised taxes and destroyed jobs through this moratorium and other stifling regulations, they did not hesitate to engage in cronyism, backing economic "development" projects to enrich friends at the expense of a competitive and productive Upstate economy.

We were told that job losses in manufacturing would translate to safer, cleaner, better paying jobs, mostly in the high-end service industries. Unfortunately, for too many, this promise never came. The jobs that replaced manufacturing were not the high-paying "jobs of the future," but traditional service sector low-wage jobs with less predictable hours and fewer benefits. According to research done by the Coalition for a Prosperous America, the average U.S. production worker who loses their job and joins a growing service sector industry will suffer a 19.2% income decline.[7] On top of that, even these lower paying jobs are harder to come by without having a thriving industrial base to support the service sector.[8]

4 https://www.epi.org/publication/reshoring-manufacturing-jobs/
5 https://www.tax.ny.gov/research/stats/statistics/policy-special/tax_sourcebook/new_york_state_tax_sourcebook_electronic_toc_tables_excel.htm (table 33)
6 https://taxfoundation.org/2021-state-business-tax-climate-index/#Exec
7 https://prosperousamer.wpengine.com/wp-content/uploads/2021/03/190815_Manufacturing_Jobs___Income_Decline_-_Working_Paper_format.pdf
8 For further discussion of the impacts of manufacturing loss on economic health, see: https://americancompass.org/event/how-the-consumerist-consensus-led-america-astray-and-how-to-recover/

Figure 4: Median Household Income (state/county) (1997-2019)
****Data Source: U.S. Census***



A review of older industrial cities conducted by the Brookings Institution shows that the share of jobs in Utica in the manufacturing sector fell from 26.5% in 1970 to just 7.9% in 2016. At a time when national medium household income rose by nearly 50%,[9] the median household income in Oneida and Herkimer counties, which comprise the Utica-Rome metropolitan area, fell by 1%. Median household income in Broome County, home to Binghamton, tumbled by an even greater share—10% over that same period.[10]

We shuttered our factories, sent jobs overseas, and while affluent pockets around the country swelled, communities like ours fell behind.

These forces—bad trade, regulatory, and tax policies—all combined to increase pressure on America's middle class. The economic strain that middle-income households are experiencing nationwide is visualized in the Cost of Thriving Index developed by Policy Analyst Oren Cass.[11] This is a measure of median male income over time against a year's worth of a basket of goods and services necessary for a family to live in comfort and security: housing, education, transportation, and healthcare. In 1985, it would take 30 weeks of full-time employment for the average worker to afford a year's worth of those necessities. In 2018, even before the current spike in inflation under President Biden, it would take more than a year, 53 weeks, to afford the same basket. This is a staggering 77% increase.

As those living and working in our communities over the decades can attest, this level of deindustrialization and economic malaise carries with it significant social implications.

9 https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/
10 https://eig.org/news/americas-legacy-communities-the-industrial-heartland-and-beyond
11 https://media4.manhattan-institute.org/sites/default/files/the-cost-of-thriving-index-OC.pdf

As the chroniclers of the *China Shock* phenomenon, David Autor, David Dorn, and Gordon Hason show, a decline in manufacturing jobs is associated with lower marriage rates and less stable family structures.[12] These foundational social institutions cannot be replaced by whatever woke agenda or new theories left-wing universities or government welfare services think up. Meaningful employment brings dignity and a sense of responsibility that lifts our communities.

The good news is that just as this decline was a choice forced on us by policymakers, so too can policymakers, business leaders, and the communities they serve choose renewal. Over the past two years of the COVID-19 pandemic, Americans witnessed the fragility of global supply chains and the inability of domestic manufacturers to produce goods essential to our most basic needs. Out of this tragedy, we must take the lessons learned to build a more resilient economy. Even before this time, national security officials called with increasing urgency to bolster our manufacturing capabilities, specifically in the emerging areas of microelectronics, communication, and defense technologies. Americans understand more than ever the need for a robust, innovation-focused industrial strategy that empowers communities like those in NY-22.

12 https://chinashock.info/wp-content/uploads/2020/06/2019-Work-Disappears.pdf

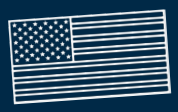
A VISION FOR RENEWAL
POLICIES TO REBUILD MADE IN AMERICA

Americans should have the opportunity to work, thrive, and build a family without an expensive four-year college degree or having to leave their communities for other parts of the country. This must be a north star in our politics and policies. I spent my life in upstate New York. I attended college here, ran my family's small business here, and raised my son here as a single mother. But this opportunity is slipping away for future generations We can't let this happen.

It is critical for elected leaders to tailor policy solutions to address the contemporary social and economic needs of communities like NY-22. We can achieve this through a vision of renewal that reorients our political decision-making to emphasize re-industrialization and trade policy that truly prioritizes American producers and their middle-class workforce. Accountable and effective government policies must create the economic conditions that enable working families and our communities to thrive.

IN PRACTICAL TERMS, THIS VISION CAN BE ACHIEVED THROUGH THREE PRIMARY POLICY SHIFTS:

First, greater support for manufacturing by increasing access to financing, especially for small firms looking to grow and compete.



Second, by requiring domestic content requirements for critical goods.

Finally, by rethinking engagement in multilateral bodies that harm businesses and workers and compromise America's core interests and fundamental values.

This is not a call to protect stagnant firms or obsolete industries. To the contrary, it is a framework to help America move up the value chain and once again regain our dominance in advanced manufacturing, which is exactly what made this country the preeminent superpower of the 20th century.

Advanced manufacturing jobs are worth fighting for—they are safe and high-paying. They also create, on average, an additional 16 jobs each in support and service industries.[13] In addition, advanced manufacturing is more closely linked with research and development, at which the United States still excels. Advanced manufacturing benefits from and contributes to innovation in a virtuous cycle that improves efficiency, boosts our productive capacity, and strengthens our national security.

Communities like ours are fortunate to already have a leg up. NY-22's strong network of community colleges is key to helping prepare workers for jobs in advanced industry through apprenticeships and other forms of hands-on learning and technical training. Students leave these programs equipped for the workforce without the crushing debt of a four-year college degree. Colleges like Mohawk Valley Community College in Central New York and SUNY Broome in the Southern Tier are examples of institutions that already excel at workforce training and development.

My fight in Congress to advance policies to renew manufacturing and opportunity are not a magic bullet. The truth is, before any federal policies, whether on trade, production, or worker training, can truly deliver change to NY-22, we must return sanity and accountability to Albany. Over the last decade, New York State's expansion of the modern-day welfare state has crippled our growth. It has made us one of the least competitive, highest cost states in the country. This is not a recipe for renewal. Without manageable taxes and regulations, and reduced burdens on families and communities at the state and local level, the most focused and effective policies from Washington would primarily benefit other parts of the country. New York must become competitive again and reclaim our title as the Empire State. Self-described socialists from downstate are advancing their costly agendas and failed policies at the expense of our Upstate economy and way of life. This must change if we are to prosper once again. The prohibition on hydraulic fracturing is a prime example of such a policy. Politicians in Albany should take heed and work as partners in the effort to renew the American dream, not obstacles.

#1: FILLING THE FINANCIAL GAP FOR PRODUCTION-ORIENTED BUSINESSES

The first step toward achieving a vision for renewal is increasing access to capital for American manufacturing firms. Chronic underinvestment and the lack of available and affordable financing create a barrier to business expansion and formation that is difficult to overcome, especially for small manufacturing firms in largely rural regions like ours. In a recent survey of small businesses in New York's 22nd District conducted by my office, 15% of respondents said that they had trouble growing their businesses due to a lack of access to financing. That number grew to 40% for businesses in capital-intensive manufacturing industries.

13 https://www2.deloitte.com/content/dam/Deloitte/us/Documents/manufacturing/us-indprod-deloitte-and-council-on-competitiveness-advanced-tech-report.pdf

Venture capital and other popular forms of business funding are highly concentrated by geography and industry, skewing toward easily and infinitely scalable information and communication technology and biotech companies in the San Francisco Bay Area, New York City, and Boston.[14] Firms engaged in complex manufacturing production on the other hand, require more capital and longer lead times than non-production firms.

The federal government needs to fill the financing gap faced by capital intensive industries and businesses in struggling regions by updating the Small Business Investment Company (SBIC) program, a federally-backed public-private venture capital program in which private sector actors invest in small businesses using their own funds as well as federal dollars. To address this challenge, I introduced ***H.R. 2262, the bipartisan American Innovation and Manufacturing Act*** in the House of Representatives. This legislation, which is supported in the Senate by two past chairmen of the Senate Small Business Committee, senators Marco Rubio (FL) and James Risch (ID), proposes a new funding stream within the SBIC program to provide $10 billion in long-term debt with equity features to SBIC's that invest in manufacturing industries. The Small Business Administration (SBA) is authorized to make commitments to a participating SBIC and purchase equity-like bonds from a participating SBIC. This program will help to provide patient, preferential capital to American manufacturing firms.

This proposal has bipartisan backing, and the Biden Administration has even floated a similar idea, demonstrating strong support across the political spectrum. The U.S. Government has a strong history of successfully catalyzing and supporting investment in small businesses in frontier industries and emerging regions. The SBIC program within SBA can and must be up to this challenge. It was first established in 1958 with the goal of filling an "institutional gap" and leading the private sector to invest in innovative small businesses. The program continues to have an important role as a minor and decreasing share of venture capital funding flows to manufacturing sectors. The SBIC program is, however, limited by the SBA size standard, which should be increased to accommodate both small and medium sized firms.

#2: REORIENTING TRADE POLICY TO SUPPORT DOMESTIC PRODUCERS

The second step we must take is to strengthen our domestic supply chains and reinvigorate American manufacturers. Our nation is now heavily reliant on foreign produced goods spanning all sectors of the economy. The COVID-19 pandemic laid bare just how vulnerable we are as a result. Even today this problem continues to manifest itself in the form of a severe and debilitating supply chain crisis. Shelves throughout the nation are poorly stocked as massive container ships of imported goods sit idly outside of clogged ports.

Shortages in goods ranging from personal protective equipment to semiconductors underscore the need to rethink our national approach to questions of industrial security. Our government and private sector must work together on a large-scale effort to bring production to the United States—something known as "re-shoring." Returning manufacturing to the United States will strengthen supply chain integrity and boost America's middle class.

14 https://www.bloomberg.com/news/articles/2017-10-03/the-geographic-concentration-of-venture-capital

Wall Street investors and lobbyists representing large multinational corporations, might not like the prospect of doing less business with China as a result, but our interests make it a national imperative that we invest here at home.

To achieve this, I introduced ***H.R. 6011, the Make it in America to Sell it in America Act*** in the House of Representatives. This bill will provide critical support to American manufacturers and help ensure that our nation has a reliable supply of critical goods. The legislation, which has also been introduced in the Senate by Senator Josh Hawley (MO), will counteract the forces of deindustrialization and provide the certainty and support American firms require to hire workers and invest in their capacity to innovate, produce, and compete here at home.

The bill builds upon the Buy America movement rules to increase domestic sourcing requirements so that our economy is not disrupted by fragile supply chains or subject to the whims of foreign producers, many of whom are hostile toward us.

Specifically, the legislation directs the Department of Commerce (DOC) in consultation with the Department of Defense (DOD) to submit a public annual report to Congress detailing goods that are critical for American national security and the protection of the U.S. industrial base. It requires that three years after the bill's enactment, any good identified by DOC and DOD on the annual list be subject to a more than 50 percent domestic content requirement, such that over half of the value of the good must be produced in the United States for the product to be sold commercially in the United States.

#3: REASSERTING AMERICAN INTERESTS AND DEFENDING AMERICAN VALUES ABROAD

Finally, America's diplomats and civil servants working at home and around the world must once again aggressively assert and defend America's vital interests in multilateral institutions. When these institutions work efficiently and effectively, the United States is rightly their biggest supporter and the American people benefit immensely. But today, many international organizations do not work efficiently or effectively. Some are wayward in search of a purpose while others are experiencing mission creep, extending their powers well beyond their initial mandates. And most, if not all, are increasingly torn apart by great power competition. The American worker deserves to know that our participation in international organizations like the World Trade Organization (WTO), International Monetary Fund (IMF), or United Nations benefits them. Today, the cost-benefit analysis has become harder to justify. If we as leaders chose to remain in sclerotic organizations without reforming them, we are not only letting down those we represent, we are advancing the interests of our adversaries far more than our own.

To address the issue, the United States must identify these wayward international institutions and reform them, regardless of pushback from global elites or even our own bureaucracy, which is itself resistant to change. The Trump Administration proved we can do it. Take, for example, the Trump Administration's successful push for reform of the United Postal Union, a nearly 150-year-old international organization that establishes the rules for international postal and parcel services.

Under the former antiquated rules of the Universal Postal Union, the United States Postal System (USPS), was subsidizing mailed packages from China. In some cases, Chinese exporters were receiving a discount of anywhere from 40 to 70 percent, costing the United States about $300 million annually.[15] This put U.S. manufacturers, exporters, and workers at a huge disadvantage, forcing some out of business altogether. However, the Trump Administration successfully persuaded members of the United Postal Union to adopt a comprehensive set of reforms based on U.S. proposals to level the playing field. The conversations with allies were difficult and the negotiations were tense. But the episode showed clearly that hard-fought reforms can be achieved with commitment and firm resolve. This is a prime illustration of the U.S. government zealously fighting for America's interests in multilateral institutions and changing the status quo to our favor.

Nowhere is the need for accountability and a return to sanity more necessary and pronounced than in the WTO. Far from establishing and enforcing basic rules of the global economic road, the WTO has too often served as a constraint on American economic interests, particularly in favor of Chinese mercantile bullying. Boasting the second largest economy in the world, China is somehow classified by the WTO as a "developing nation," a status that affords it special privileges and benefits at the WTO and other international economic institutions.

China uses these undeserved privileges to undermine the American worker whenever it can. Under the Trump Administration, U.S. Trade Representative Robert Lighthizer held the organization's feet to the fire by taking on abuse and overreach by the WTO Appellate Body, which harmed American economic interests. The Trump Administration began the important work to hold the WTO accountable, but there remains a great deal more to achieve and these efforts must continue in a bipartisan manner. Congress should work together to identify other such instances where international organizations which the United States participates in fall short of addressing our interests. Legislation should then be proposed, where necessary, to require and equip the U.S. Trade Representative and other liaisons of the U.S. government to fix these shortcomings.

While some may want to downplay it, the reality is that we are locked in an ideological confrontation with the People's Republic of China. The Chinese government aims to take advantage of international organizations, like the WTO, and once in positions of authority it seeks to remake these institutions in their distorted image. To counter this, we must continue to call for reforms to promote transparency and data sharing, hold member states accountable, and counter China's influence across organizations.

It is therefore critical for policymakers to hold international organizations accountable and ensure that America's participation advances our interests. When this is not possible, America's role and even our basic involvement must be reexamined. The days of go-along-to-get-along diplomacy as American interests are harmed and the American middle-class suffers should end.

15 https://www.wsj.com/articles/trump-administration-moves-to-end-deep-discounts-for-packages-from-china-1539791629

CONCLUSION

Upstate New York is home to some of the nation's most strong-willed and generous people. Despite daunting obstacles throughout our shared history, the spirit of our region and our communities remains strong. This is where the Erie Canal broke ground. It is where Remington Arms and IBM were founded and where General Electric thrived. Our tenacious spirit, generosity, and desire to reach greater heights are all still alive and well. Now we just need leaders to put the policies in place that will once again unleash our full potential and renew the hope of future generations.

Our region has suffered under a bevy of bad state and federal policies. Policymakers must better support families and communities by engaging in a bold agenda to encourage innovation, industrialization, and the formation of a dynamic small and medium sized business ecosystem focused on production of advanced goods to support stable jobs. The missteps of business and political decision-making that left so many Americans behind should not be taken as some inevitable or uncorrectable force of nature. We can respond in constructive ways to turn the tide. Manufacturing occupies a unique place in our nation's history and such promise for our future economic and social health.

Those with the responsibility to lead cannot shy away from the task of renewal. I am in this fight every day and will continue to advocate for policies that restore opportunity to our region and revive the preeminence of America's middle class.

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