

Opening Statement

THE HONORABLE BART GORDON (D-TN)
Ranking Member, U.S. House Committee on Science

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I want to join Chairman Boehlert in welcoming everyone to this morning's hearing.

I also want to thank our distinguished panel for not only taking the time to appear before us today, but for their time and effort in preparing this report.

The title of this report, *Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Economic Future*, summarizes the challenge before us.

There is a general uncertainty about our country's future economic prospects and a desire for guidance on how to move forward. I think that the report provided by the Panel takes some steps towards providing that guidance.

A few disturbing facts from the report jumped out at me:

The large wage disparity between U.S.-based scientists and engineers and their competitors in China and India; and

The 110 chemical facilities that have closed or are slated for closure in the U.S. coupled with the 120 large chemical plants currently under construction globally - 1 new plant in the U.S. and 50 in China.

China is producing more than 600,000 engineers per year.

As the report notes, "Thanks to globalization, workers in virtually every sector must now face competitors who live just a mouse-click away,..." I'm left wondering where will the good high-paying jobs be for the next generation - in the U.S. or in some other country.

The report outlines a number of specific actions we can take to improve the innovation environment in the U.S. Many of these recommendations are familiar to us because they are what the Science Committee has advocated in legislation.

For example, substantial increases in funding for NSF and the Office of Science at DOE. In the area of science education, the Committee has authorized scholarships for math, science and engineering students to obtain teaching certificates as well as the math and science partnership program to improve the training of new teachers.

There seems to be a broad consensus on what the U.S. should be doing, but the Administration has not followed through in its funding requests.

This report highlights that our current federal R&D investment strategies are not up to meeting the global competitive paradigm of the 21st century. The recommendations represent a challenge to the Administration and to Congress to take action now.

I am interested about one of the Panel's statements, which is that some of its recommendations "require funds that would ideally come from the re-allocation of existing funds." What is not identified is what funds should be re-allocated or why. I hope our witnesses will provide some more detail into the Panel's thinking.

We can all agree that more R&D will result in more innovation, but one issue not addressed by this report is will it really generate more and better jobs in the U.S.? Or will the exploitation of these innovations quickly move to countries with lower-cost labor?

I hope the panel has some thoughts on how to ensure that the development of new technologies leads to the creation of new jobs in the U.S. One only has to look at most types of consumer electronics - the history of VCR technology as an example - to see that we have often lost the economic payoff from technology invented here.

In closing, it seems that we understand the challenges we face and we have agreement on how to address these challenges. What is lacking is the political will to make the investment.

I would like to point out that his report represents a consensus of panelists representing business, academic, and education leaders. I would challenge the Panel to press the Administration and Congress to fund their recommendations. As a Nation, we cannot afford not to.