



BOB CASEY

FIGHTING *for* PENNSYLVANIA FAMILIES

“Countering Chinese Influence by Investing in American Workers and Manufacturing”

Remarks by Senator Casey

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INTRODUCTION

Good morning and thank you all for joining me here today. It’s great to be here with so many workers, union members, and business leaders—including Bernie Hall, Matt Smith, Angela Ferritto, Drew Simpson, and Darrin Kelly. I’m grateful that a number of distinguished elected officials from Southwestern PA are here, led by Rich Fitzgerald. And I want to thank the Carpenters for hosting us today. It’s no coincidence that I chose the Steel City to outline this vision today to talk about our workers and our economic future. The people of Pittsburgh and Southwestern Pennsylvania didn’t wait for the future, you invented your own future. You seized control of your economic destiny and that is what we as Americans must do.

We are at a pivotal moment in the United States. We are confronted every day by Chinese economic aggression.

We have an opportunity to take control of our future—our economic future, energy future, environmental future, and national security future. In order to gain control of our economic future, we as a Nation, need to prioritize our workers, our companies, and meet the challenge posed by China.

PART ONE: INVEST IN WORKERS AND COMMUNITIES

First, America is the strongest economy in the world because of the people who make it work: the men and women who build, feed, care for, and power this Nation. We must invest in American workers and families, and the communities where they choose to live and raise their kids.

Today, a majority of American families are worried that their children and grandchildren will not be better off than they are.¹ Working families are getting squeezed while major corporations attack the rights of their own workers and prioritize wealthy shareholders and stock buybacks. The Republican corporate tax giveaway in 2017 was obscene and reckless.

The U.S. should prioritize workers' wages over rewarding corporate executives and shareholders. Just last year, corporations wasted \$1.2 trillion buying their own company's stock. With that money, they could have given every single worker a \$7,500 raise and still been profitable. Rather than rewarding CEOs for inflating their stock valuation and giving out bonuses to failing banks, we should put workers first.²

We can start by raising the minimum wage, which in Pennsylvania is just \$7.25 an hour and has been since 2009. \$15,080 annually is not enough to live on—or raise a family. We also need to continue fighting for higher prevailing wages on projects using federal dollars, as Democrats did in the Infrastructure Investment and Jobs Act and the Inflation Reduction Act.

We also need to raise wages for those making more than the minimum wage and the best way to do that is by giving power to workers. The right to organize is fundamental for workers, who have had the deck stacked against them for decades. We must pass the Protecting the Right to Organize—PRO—Act so that workers can have a say in their workplaces. The PRO Act strengthens workers' rights to join a union and restores fairness to an economy rigged against workers. Unions don't just help their own members—they raise wages for other workers as well. A rising tide lifts all boats.

We also need to reaffirm that there is no economic security without retirement security. What's the point of spending 40 years in a factory with the promise of a pension, when a company with high-paid lawyers can offload pension obligations in bankruptcy.

¹ https://www.wsj.com/articles/most-americans-doubt-their-children-will-be-better-off-wsj-norc-poll-finds-35500ba8?mod=hp_lead_pos6

² \$1.22 trillion in buybacks / 160 million workers = \$7,625

Companies bought \$1.2 trillion of their own stock in 2022. Sources: <https://www.reuters.com/markets/us/us-stock-buybacks-so-far-2023-big-money-fewer-companies-2023-02-07/>; <https://www.bloomberg.com/news/articles/2023-01-09/corporate-america-is-still-lining-up-to-buy-back-its-own-stock-shares#xj4y7vzkg>

There were 160 million workers as of Jan 2023: <https://www.bls.gov/news.release/empsit.t01.htm>

Thankfully, we've made some progress on pension security in recent years. The American Rescue Plan included a fix to shore up the multiemployer pension plans that were running out of money and threatening the retirements of workers across the Nation. Already, four pensions across Pennsylvania have received funding. Just yesterday, the White House announced funding that will save the pensions of 6,700 workers in Pennsylvania—including USW members. We need to do more to ensure that all workers have sound retirement plans and secure benefits.

Paying workers what they have earned and treating them with dignity is a keystone of a strong economy. But it's not enough on its own. We also need diverse, adaptable, and robust industries creating those jobs. Which brings me to my second point:

PART TWO: INVEST IN AMERICAN MANUFACTURING AND MAKING MORE THINGS IN AMERICA

We used to make a lot more things here in America, and we're starting to get back to doing that. We have to become a new kind of manufacturing powerhouse that reasserts the American economic might and independence of the 20th century, but adapted to the advances, demands, and opportunities of the 21st.

As you know, President Biden and the Democrats in Congress passed the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act. These are once-in-a-generation investments in American industry and jobs—and in building the technologies and economy of tomorrow. These laws are already boosting the economy, creating jobs, and lowering costs for families. Together, they amount to a new industrial strategy that is already helping America take control of its future and become the manufacturing powerhouse we know we can be. In Pennsylvania, the infrastructure law and the Inflation Reduction Act alone will create 50,000 jobs per year for 10 years.

First, we made a once-in-a-generation investment in our Nation's infrastructure. This was a goal that had been talked about for decades, but it was President Biden and a Democratic Congress who got it done. The Infrastructure Investment and Jobs Act touches every facet of infrastructure—from the pothole on your way to work, to the town that lost access to Amtrak decades ago, to the waterways that drive an entire region's economy, to the high-speed internet that helps our kids learn in school and do their homework at night.

These investments will mean cleaner water, safer roads, better internet access, and a better life for Pennsylvanians. And with strong Buy America provisions, we've made sure that the infrastructure of tomorrow will be built with materials made right here in America. The law also has strong prevailing wage requirements and provisions to boost registered apprenticeships. We're going to build our future with union labor and American manufacturing.

And we are already seeing the results. The infrastructure law helped rebuild the Fern Hollow bridge in under a year, and will help get the US 219 expansion in Somerset County over the finish line. It provided \$857 million for the Montgomery Locks and Dam in Beaver County in a single year of funding. We're also getting hundreds of millions of dollars in funding to clean up abandoned mine lands across the Commonwealth. Too many of our 48 rural counties have very limited access to high-speed internet. Pennsylvania is receiving more than \$1.3 billion for high-speed internet between the infrastructure law and the American Rescue Plan.

The infrastructure law rejects the notion that we have to choose between the jobs of the 20th century and the needs of the 21st. For example, the bill provides billions of dollars for hydrogen hubs, one of which I'm working with many of you to bring to Southwestern Pennsylvania. If we succeed in bringing a hub here, we can power on the industries upon which our workers and our world depends—steel, chemicals, cement—but make those processes far less carbon intensive so that they can compete in the international market.

The infrastructure law is a huge job creator for Pennsylvania: more than 300,000 jobs over the course of a decade in our state.

Semiconductors are used in our cars, smart phones, appliances, and so many other things we depend on. However, U.S. production fell from 37% of the global share of manufacturing in 1990 to 12% today. We passed the CHIPS and Science Act to reinvest in domestic electronics manufacturing, create and protect American jobs, and address the climate crisis—all while boosting our national and economic security against foreign adversaries like China.

By making significant investments in scientific research and development, the CHIPS and Science Act sets the U.S. on a path to charge ahead as an international leader in innovation and cutting-edge technologies that will be critical for our businesses and workers to thrive in the years ahead. New tax incentives under this law will promote investment in advanced factories that will keep American

industry at the forefront of the global market. Put simply, it is a down payment on global competitiveness and our future prosperity.

Pennsylvania is at the heart of that investment. From research universities in Southwestern Pennsylvania to national defense equipment factories in Southeastern Pennsylvania, the Commonwealth stands to benefit from this legislation. Institutions and companies here in Pittsburgh, like Carnegie Mellon, the University of Pittsburgh, and the electronics company Powerex will be competitive—and I'm fighting to make sure Pennsylvania gets its fair share of federal money.

And with the Inflation Reduction Act, we're also creating jobs and lowering everyday costs for American families, businesses, and consumers. This bill alone creates more than 200,000 jobs in Pennsylvania over the next decade by investing in American manufacturing, workers, and energy.

When I say invest in American manufacturing and workers, I mean it. To receive Inflation Reduction Act benefits, companies must use 100% American steel and iron. And I fought to include a 10% tax credit that puts current and former coal communities at the front of the line for new investments. I also made sure that companies are rewarded for using all-American parts in new energy and manufacturing plants. In just one year since we passed these bills, we've doubled the amount of new American manufacturing plants under construction. That means good jobs now and for decades to come.

Though its early in implementation, what we've seen so far is promising. Patty Horvatic, who heads business development for the Allegheny Conference, testified before Congress that the IRA tax credits “keep us in the game”³ and that she has spoken to multiple companies and site selectors across industries who are considering coming to Southwestern Pennsylvania because of the IRA.

And Cleveland Cliffs reports that investments from both the IRA and the infrastructure law will support more investment in steel that is needed for clean energy and infrastructure projects.

This latter example is particularly important, because it shows that our legacy manufacturing is not threatened by clean energy projects. Rather, manufacturing will benefit from these projects. Cleveland Cliffs and others are demonstrating that

³ <https://www.finance.senate.gov/download/0518-horvatic-testimony>

legacy manufacturing relies on the world-class skilled labor that we have here in Western Pennsylvania. Steelworkers, pipefitters, boilermakers, operating engineers, carpenters, and electrical workers, and others must never be left behind. We can't move forward as an economic power without them. We need to embrace an "all of the above" energy portfolio.

While my focus today is on how we need to rebuild our economic might and manufacturing capacity, the Inflation Reduction Act has other important benefits, too. We capped the price of insulin for older adults on Medicare, capped seniors' out of pocket drug spending, and for the first time, Medicare will be able to negotiate the price of prescription drugs. This will save seniors thousands of dollars. Also, the Inflation Reduction Act lowered the deficit by \$300 billion.

In passing these laws, Democrats are creating good-paying American jobs and ensuring that our businesses can compete successfully in the future. We're creating jobs to build roads, lay waterlines, manufacture solar panels, and so much more. And I think those numbers are worth repeating. The infrastructure law will support 300,000 jobs and the Inflation Reduction Act will create another 200,000—that's a half a million jobs in our Commonwealth over 10 years.

PART THREE: TAKING ON CHINA

Finally, we must confront the threat posed by China. Right now, we are in competition with a communist government that doesn't play by the rules. China is an economic adversary, and we must provide our workers with a level playing field on which to compete.

As we approach a future of competition with the Chinese Communist Party, we hold no animus towards the people of China or Chinese Americans who enrich and helped build our country every day. But we need a strong response to the actions of President Xi and the Chinese Communist Party.

U.S. workers can out-work, out-innovate, and out-produce any worker in the world, including workers in China. Firms in China have substantial unfair advantages, explicit state backing to compete in unfair ways. The Chinese government restricts access to its own market for our companies, and steals our technology for the benefit of its own industries.

We cannot simply lament that fact; we must do something about it! The structures China builds are not built to last. Their growth comes at the expense of human

rights, of environmental protections, of labor standards, at the expense of and in total contradiction to values that underpin the American way. Companies in Western Pennsylvania know this firsthand. Less than a decade ago, the Department of Justice charged five officials in the Chinese Army with hacking Pennsylvania based companies, including US Steel, Allegheny Technologies, Alcoa, and Westinghouse.

The Chinese Communist Party uses its own economic power to bully others. In 2020, after Australia called for an independent inquiry into the origins of COVID-19, the Chinese government responded by slapping duties on Australian exports and revoking Australian producers export licenses. The Chinese government also retaliated against Lithuania in 2021 by inflicting a punishing campaign of economic coercion after that small European nation allowed the opening of a Taiwanese representative office in its capital.

The U.S. is not immune to China's aggression. In fact, the Chinese Communist Party is making a concerted effort to capture U.S. expertise. CCP-backed firms are strategically investing in industries critical to our economic and national security interests—which not only builds Chinese capacity—but also leaves the U.S. dependent on it. It's not hard to imagine a scenario where China ceases exports of important goods—like critical rare minerals—leaving the U.S. unable to respond due to a lack of domestic capacity. With an adversary using economic coercion as a geopolitical weapon with impunity, the U.S. needs a more robust strategy and the right economic and legal tools to counter this threat.

When the Chinese government cannot steal trade secrets outright, it has other strategies at its disposal.

Over the past several decades the Chinese Communist Party has expanded subsidies for steel, aluminum, solar panels, transportation, and other critical infrastructure, thereby cornering the market through state-directed investments. And now we are seeing them pull out the same playbook for key emerging technologies like AI, semiconductors, biotech, and robotics.

The pandemic shined a spotlight on a storm that was quietly brewing underneath the surface: Chinese government-backed companies control much of the world's supply chains, and many that are critical to the U.S.'s economy. When COVID-19 first hit, U.S. hospitals and medical professionals could not find basic personal protective equipment (PPE) to keep doctors safe as they treated COVID patients. At that time, China was producing half of the world's masks and hoarding masks

for themselves before distributing to the rest of the world. It took the U.S. months to catch up in terms of manufacturing our own supplies. During the height of the pandemic, automobile and cell phone prices rose because of an overreliance on China. The vulnerabilities to our economy could expand dangerously from PPE and semiconductors, to critical minerals, pharmaceutical ingredients, or automobiles.

China could intentionally withhold resources to cripple our economy and we need to be prepared. Right now, the federal government has little insight into which of our Nation's critical manufacturing and technological capabilities have been moved overseas, and at what scale. As a matter of national and economic security, we need to know much more about where there are vulnerabilities *before* the next crisis hits. We need to be ready to react and respond.

I introduced bipartisan legislation, the National Critical Capabilities Defense Act, to help the U.S. better understand the risks created by outsourcing our manufacturing and technological know-how to our foreign adversaries, like China and Russia. This bill would allow the U.S. government to screen investments going to countries like China—and in doing so, bolster our national and economic security. But knowing what corporations are investing overseas is not good enough if we don't have a means to stop them—that's why I'd ultimately like to see the United States with the authority to prohibit corporations from selling our national security secrets and manufacturing power to our adversaries when it puts our Nation at risk. This is too important to our national security to do anything less.

Investment comes in all forms, from closing manufacturing facilities in the U.S. and reopening them in China, to investing cash in Chinese companies instead of U.S. companies working on the same innovations. U.S. corporations should invest more here, not China.

Lastly, our national strategy to counter China's predatory behavior and unfair trading practices also must include how we think about trade deals. Democrats and Republicans alike have supported trade deals – including NAFTA in 1994 and providing normal trade relations to China in 2001 – that hurt American workers. Opening up to China led to the loss of over two million jobs across the United States.

Thankfully, the Biden Administration is now taking a new approach to trade that prioritizes American workers and families. The Trans-Pacific Partnership—TPP—would have cost American jobs and hurt wages, which is why I voted against fast

tracking that deal in 2015. American workers and families have a right to be angry about past trade deals over the last 50 years. I am fighting to make sure that our trade policy puts our *workers*, as well as our national and economic *security*, first.

CLOSING:

America is strong when our workers are strong and when we build our economy *up* from our workers, not down from the boardroom; when we invest in manufacturing in all of our communities, including small towns and rural areas. America is strong when we can provide for the least among us; when our alliances are strong and based on shared democratic values; when our domestic and foreign policy is grounded in those same values. We are strongest as a Nation when we support workers, the middle class, and those striving to lift themselves into the middle class.

It's about time that Americans take control of the American future. We, as one Nation, will not allow China to determine our economic future. We, as Americans will decide, by investing in American ingenuity, respecting the dignity of hard work and those who do it, and delivering by our economic might the promise of prosperity and opportunity to the next generation.

This is a mission worthy of a great Nation. We've taken some big steps these last two and a half years, but much work remains. Thank you.

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