



KIRSTEN GILLIBRAND

UNITED STATES SENATOR FOR NEW YORK

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AT CUTCO CUTLERY IN CATTARAUGUS COUNTY, GILLIBRAND ANNOUNCES “MADE IN AMERICA” GRANTS TO BOLSTER HIGH-TECH MANUFACTURING FOR NEW YORK

*While Total Manufacturing Jobs Declined by 123,000 Across NYS In Last Five Years, Advanced
Manufacturing Jobs in Computers & Electronics Grew by 9 Percent from 2004-2008*

*Gillibrand Plan Creates “Made In America” Grants, Promotes Clean Energy Manufacturing, Leverages
Private Investment To Rebuild Distressed Manufacturing Communities*

Olean, NY – While New York has lost a total of more than 123,000 manufacturing jobs since 2005, advanced and high-tech manufacturing jobs are thriving. Computer and electronic manufacturing industries increased employment by 9 percent from 2004 to 2008. To spark more growth in high-tech manufacturing in New York and create more of these good-paying jobs right here, U.S. Senator Kirsten Gillibrand today announced her new manufacturing agenda.

Senator Gillibrand’s plan creates a *Made In America* competitive grant program to help retool struggling manufacturers for the thriving fields of clean-tech and high-tech manufacturing, supports manufacturers specializing in clean energy technology, and leverages more private investment into New York’s manufacturing hubs that have been hit hardest by the economic crisis.

“America was built by New York’s manufacturing,” **Senator Gillibrand** said. “Our manufacturers powered our economy through the 20th century, and will be the key to fueling our economy in the 21st century. It’s time to see ‘Made In America’ again starting right here in New York. When we spark more growth in clean-tech and high-tech manufacturing, we’ll reinvigorate New York’s great manufacturing communities, start more new businesses, and create more family-supporting jobs right here where we need them the most.”

Every corner of New York State has been crippled by manufacturing job loss. A recent report by the Public Policy Institute of New York State highlights that New York’s manufacturing has been hit hard in comparison to other states around the country. Twenty years ago, nearly 1 million New Yorkers had jobs in manufacturing, but close to half of those jobs have been lost over the years and the state’s manufacturing industry has suffered. In fact, 52 of New York’s 62 counties have shown significant manufacturing job loss since 2001.

Across New York, a total of more than 123,000 manufacturing jobs were lost from 2005 to 2010, according to data from the New York State Department of Labor. In Western New York, an estimate of more than 17,500 manufacturing jobs were lost from 2005 to 2010.

Manufacturing accounts for approximately 11 percent of the country’s GDP and employs an estimated 11 million Americans. As America loses manufacturing operations, it also loses the innovation this sector provides to the overall economy, accounting for 70 percent research and development conducted in this country. Investments in manufacturing spur regional job creation. In fact, every dollar invested in manufacturing operations directly fosters \$1.40 in economic activity, and every newly created manufacturing job creates 2.5 other new jobs across the local economy.

Manufacturing is key to maintaining America's competitive edge in new and emerging industries, providing high-paying jobs right here at home and an economic boost to local communities. In particular, tremendous opportunities exist for American manufacturing to tap into the growing \$500 billion global market for clean technology.

High-tech and advanced manufacturing are sectors within the manufacturing industry that are growing, according to a 2010 report on manufacturing in New York from the Office of the State Comptroller, and have major potential to create more new jobs.

- Computer and electronic manufacturing industries increased employment by 9 percent from 2004 to 2008.
- Of the 250,000 computer and electronic manufacturing jobs in upstate New York, 44 percent are in the most advanced technology areas.
- Jobs in information and communications technology are also on the rise – with 6,000 new jobs in this field created from 2004 to 2008, and another 1,800 new jobs in life science technologies. Both of these industries have average salaries of \$70,000 and higher.

To harness the full potential of these emerging fields in manufacturing, Senator Gillibrand announced her advanced manufacturing agenda.

Senator Gillibrand's Advanced Manufacturing Agenda

1. "Made In America" Grants

Senator Gillibrand is announcing the *Made In America Block Grant Program Act*, legislation that would establish a competitive grant program to provide small- to medium-sized manufacturers in communities with high unemployment with new resources and strategies to retool their operations, and retrain their workforce for advanced manufacturing, such as clean energy, computer technology, aerospace and biotechnology.

States and local governments that have experienced a seasonally adjusted unemployment rate of at least 10 percent for any six consecutive months from January 1, 2007 through December 31, 2010, or have experienced a cumulative decline in employment in manufacturing of 15 percent or more during that time period would be eligible.

Made In America grants could be used for the following purposes:

- Retooling or retrofitting plants, including equipment, facilities or infrastructure
- Diversifying business plans to advance the production of clean energy, energy efficiency, high technology, or other advanced products or components
- Improving the energy efficiency of a manufacturing facility
- Retraining employees with new skills necessary to operate new or advanced manufacturing equipment or sustain or improve the processes of a manufacturer
- On-the-job training for new employees
- Providing capital and technical expertise to expand export opportunities

2. Expand Manufacturing Tax Credit

Senator Gillibrand is working to pass the *Security in Energy and Manufacturing (SEAM) Act*, legislation that would help cut costs on domestic manufacturing of clean energy technology by providing companies a tax credit and grants in lieu of the Advanced Energy Manufacturing Tax Credit.

The Advanced Energy Manufacturing Tax Credit currently provides a 30 percent credit for domestic companies for investments in new, expanded, or reequipped clean energy manufacturing projects. The program is aimed at building capacity to meet this new and growing source of demand. Qualifying facilities manufacture a wide range of clean energy products, including wind turbines, solar panels, hybrid vehicle systems, carbon capture and sequestration systems, and biofuel refinery components, among others. Through this credit, \$2.3 billion in federal funds leveraged more than \$5.4 billion of private investment that supported the creation of an estimated 17,000 jobs, plus 41,000 jobs through matching private investment.

The *SEAM Act* would extend the program and allow for grants in lieu of tax credits. This would enable the program to reach additional companies that would otherwise be unable to utilize the program, specifically new companies that do not yet have tax liabilities or companies struggling to access credit. Both the tax credit and grant would remain at 30 percent of the cost of the project. The *SEAM Act* also adjusts the selection criteria to give higher priority to facilities that manufacture, rather than assemble, goods and components in the U.S.

The Department of Energy (DOE) states that the program was more than three times oversubscribed. Nationwide, DOE deemed 418 projects eligible, which amounts to \$5.8 billion in unfunded eligible applications. These manufacturers are waiting in the pipeline, ready to break ground soon with the funding.

The *SEAM Act* also helps restore American's manufacturing base. By giving priority to U.S. production, the bill would ensure that our U.S. manufacturing base produces all parts in the clean energy supply chain. As clean energy becomes one of the world's largest industries, forecasted at over \$2 trillion annually, clean energy manufacturing provides a significant opportunity for the U.S. to restore its manufacturing base and create good-paying jobs domestically.

3. Encourage Private Investment into Manufacturing Communities

To leverage more private investment into manufacturers in some of New York's hardest hit communities, Senator Gillibrand is pushing the *New Markets Tax Credit Extension Act*. The legislation would extend the New Markets Tax Credit program, which provides a 39 percent tax credit for Community Development Entities (CDEs) to help leverage additional private investments into local businesses.

The New Markets program generated almost \$50 billion in financing to businesses in some of the most economically distressed communities. From 2003 to 2009, every publically invested dollar leveraged \$12 in private capital in return. 155 businesses in New York have benefited from over \$1.42 billion in New Market Tax Credits.

Since 2007, the tax credit has been extended on a year-to-year basis, making it difficult for local communities to plan projects, and use it to leverage additional private investment into new business ventures to help create jobs and revitalize communities.

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