



National Electrical Manufacturers Association

Representing Electrical and Medical  
Imaging Equipment Manufacturers  
[www.nema.org](http://www.nema.org)

March 2, 2022

The Honorable Chuck Schumer  
U.S. Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
U.S. House of Representatives  
Washington, DC 20510

The Honorable Mitch McConnell  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
U.S. House of Representatives  
Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and  
Minority Leader McCarthy:

I write to urge you to move quickly to resolve the differences between the United States Innovation and Competition Act (USICA) and the America Creating Opportunities for Manufacturing Pre-Eminence in Technology and Economic Strength (America COMPETES) Act and share with you the priorities of the National Electrical Manufacturers Association (NEMA).

NEMA represents more than 325 electrical equipment and medical-imaging manufacturers that make safe, reliable, and efficient products and systems. Member companies support more than 370,000 American manufacturing jobs in 6,100 locations across all 50 states. NEMA companies play a key role in transportation systems, building systems, lighting, utilities, and medical-imaging technologies and will thereby serve a critical role in the implementation of the recently enacted infrastructure law.

First, we thank both the House and Senate for passing legislation that would bolster U.S. semiconductor manufacturing and supply-chain capabilities across the economy, which will further enable essential functionality in connectivity, manufacturing, smart building, medical diagnostics, and mobility technologies. Semiconductors are essential to nearly every aspect of Americans' lives, and a reliable, resilient supply is required to achieve the shared infrastructure modernization goals of the Infrastructure Investment and Jobs Act. Further, government policy should focus on the availability of all types of chips, including memory chips, microprocessors, standard chips, and chips with complex embedded software systems – each of which plays a unique role in technologies and critical infrastructure across the economy. Additionally, Congress should provide manufacturing support for elements of the broader semiconductor ecosystem. These include transistors, diodes, and other components which are critical to manufacturing many electrical products and are not currently available from U.S. sources. We urge you to work expeditiously to ensure that this much-needed funding and support is signed into law.

Second, both USICA and America COMPETES include trade provisions that are critical to NEMA member companies. Specifically, USICA contains important provisions re-authorizing and establishing essential tariff-relief programs. The Miscellaneous Tariff Bill (MTB), the Generalized System of Preferences Program (GSP) and the requirement for the United States Trade Representative to reinstate previously approved product exclusions under the Section 301 tariff exclusion process are all priorities NEMA supports in U.S. trade policy. However, NEMA has concerns about the nature of the Section 301 exclusions process put in place under the previous Administration and urges you to restart and reform this process in a way that has clear eligibility standards for companies, is transparent, and is fair to all who apply. NEMA urges Congress to pursue tariff elimination for critical products needed to support U.S. infrastructure investments, U.S. manufacturing, and U.S. jobs.

The America COMPETES legislation includes a robust trade title. While NEMA supports Congress advancing policy that incentivizes manufacturing to return production to the United States and enhances the competitiveness of U.S. businesses in global markets, the provisions in this legislation pertaining to the Section 321 de minimis program are problematic for our member companies. NEMA companies rely on this program to import essential electrical and medical-imaging components used to support U.S. jobs and U.S. manufacturing. Changes to this program require robust consideration by Congress and a further evaluation of the provisions' potential impact on the availability of core components for the electrical and medical-imaging supply chains. We urge Congress to delay inclusion of this provision in the Conference process and pursue further information-gathering activities to better understand its potential impact.

Third, the America COMPETES legislation also provides important provisions related to International Standards Development. The bill directs the National Institute of Standards and Technology to engage in several activities that support education and workplace-development efforts to promote U.S. participation in international-standards organizations. The bill also establishes a Capacity Building Pilot Program allocating grants to private-sector entities, small businesses, nonprofits, and universities to further incentivize increased participation by small business and academic interests in international-standards organizations. As an ANSI-accredited standards-setting organization, NEMA welcomes this initiative and respectfully asks Congress to consider widening the eligibility of the pilot program to all U.S. businesses, as well as relevant trade associations, given the key roles large and small businesses and trade associations play in establishing international manufacturing standards.

Fourth, the America COMPETES legislation provides for a strategic transformer reserve program. NEMA has supported this concept in the past and we continue to do so now. This support notwithstanding, we believe the provision should be revised to ensure that: (1) the Department of Energy consults original equipment manufacturers as reserves are established; (2) that consideration is given to the current lack of availability of electrical steel, which makes it difficult to increase outputs in the near-term to accomplish the outlined objectives; and (3) that authorized funding remains available until it is expended to account for expected long lead times for the production of covered equipment. We

request that the final package include this program with our suggested changes to ensure that the U.S. electrical grid is prepared to respond to any outage in the future.

Fifth, the America COMPETES Act includes the state flex-tech energy program. NEMA supports the inclusion of this program, which will help U.S. manufacturers work with their home states to become more competitive by helping them identify and fund energy and resilience improvements. These types of improvements will help U.S. manufacturers reduce their energy usage and make them more resilient, which will allow them to be more competitive in the global marketplace.

Given the urgency of supply-chain disruptions, inflationary pressures affecting all aspects of the U.S. manufacturing value chain, long lead times needed for manufacturing investments, and robust support provided in this legislation for critical component industries such as semiconductors, we urge the House and Senate to resolve differences in the bills and work to expeditiously advance this legislation into law.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra M. Phillips". The signature is fluid and cursive, with the first name "Debra" being the most prominent.

Debra M. Phillips  
President and CEO  
National Electrical Manufacturers Association