

Testimony of Tom Moulton, Sleepnet Corporation Hampton, NH

Good afternoon.

My name is Tom Moulton. I am the founder and President of Sleepnet Corporation in Hampton. Sleepnet is the leading domestic manufacturer of masks sleep apnea sufferers wear nightly. For over 15 years, I have employed 8-10 manufacturing employees. I do this partly out of a spirit of patriotism and partly because it makes sound business sense. For the first time, however, I have begun to source components in Asia. While this does not affect the Sleepnet workforce, I am not blind to its impact on my New England area vendor whose staff will be less busy and pay fewer taxes as a result.

I have been asked to comment on the role of exports and job creation for America. Before I can make my comments and observations it is my opinion that we first must reflect on the past for guidance and then be willing to make changes in order to make a create a better future.

Manufacturing

Manufacturing is a vital and key economic component to any industrialized nation. For every one manufacturing job, seven others are created. The key to America's economic strength was created and embodied in manufacturing. From manufacturing many other industries were created, finance, banking, insurance, real estate, trade, service industries, etc. Make no mistake it is powerful and impactful.

If you doubt it, or do not believe me, look at what manufacturing has done for China's and other economies over the past 2 decades. It is not rocket science to figure this out.

Unfortunately over the recent decades America has lost its competitive edge and is on a continuing downward slide. We have literally given away our technology manufacturing to others. It is sinful.

How did this happen?

It is not hard to figure out. I often refer to this scenario to my business colleagues as corporate treason. I say it was fostered by executives who woke up one day and found themselves in an unfavorable business climate created by our government largely caused by over regulation, onerous labor laws, and over taxation. They found themselves in an uncompetitive environment for business. So they went elsewhere with manufacturing jobs to improve their bottom line. The result is an ongoing catastrophe and a slow death for our nation.

What can we do to reverse this slow death?

Give manufacturing companies a good reason to come back home to America to setup shop again.

Where, and how the Government can help manufacturers.

Get involved and get out of the way.

Predictable Governmental Incentives in Technology

American ingenuity! We can compete with cheap labor with better technology.

For starters the government needs to create meaningful and long term incentives for manufacturers to reinvest in itself. By giving opportunities for companies to invest in new equipment so they can be more competitive in a global economy. Look at how foreign car companies have set up manufacturing plants in the south and have done well.

Commit to long term R&D tax credits. Temporary incentives do not give companies the ability to do long term planning. Competing in business is a marathon not a sprint. Well run businesses that pay taxes require predictability from their government on how they treated.

Education

Numerous industries can point to their very existence as a result of NASA's creations, including computers, microwaves, and communication technology. To ensure the future viability of a domestic manufacturing workforce, new engineers and scientists are needed to create the next big thing (or 100 things). It is critical we train the next generation of math and science majors in this country and that they want to and *can* stay here. Our immigration policy, our educational policy and incentives around each will have an outsized affect on whether we have 1,000, 10,000, or 100,000 new engineers (and the resulting multiple of manufacturing jobs they create) ten years from now.

There needs to be a comprehensive plan to insure future manufacturing jobs.

Conclusion

I appreciate the opportunity to be able to give you some personal thoughts on these matters.

I am both honored and humbled to be asked to be here.

I took my time away from my business because I care and want to try to make a difference.

I love my country and the state of NH where I reside.

Like you, my motivation is to support efforts to make life better for my fellow citizens and our country.

I am an American and proud to be one. Thank you.