



Thank you Madam Chairman and all members of the committee for holding this hearing and having me here today to provide testimony on Ambix's sustainability journey. As Small Business and Entrepreneurship Committee Members, I am sure that you already know that small businesses are the backbone of the United States economy making up 99% of all businesses and providing employment to approximately half of the current workforce. And that many small business owners are doing all of it on their own.

Ambix Manufacturing is one of those 33 million small businesses. Founded in 2008 (I don't recommend starting a business during a Great Recession), and located in the White Mountains of New Hampshire, we provide plastic engineering and custom contract injection molding manufacturing to customers here in the United States as well as Mexico. We are also an ISO 9001 certified company and with that certification comes a responsibility to stakeholders - federal, state and local governments, residents of our town, our customers and our employees to ensure that we have assessed all risks of operations and are capable of providing a quality product to our customers. In fact, our quality policy states,

- Ambix Manufacturing, Inc. is dedicated to satisfying our customer's cost, quality and delivery requirements through excellence in its technology and products, and
- Ambix is committed to improving the quality, consistency and cost-effectiveness of its products and processes through continual improvement of the effectiveness of its Quality Management System.

For every potential new customer or job we get, we complete an assessment. Do we have the capabilities, do we have the capacity, can we provide a quality product each and every time off our lines, and can we compete on cost and still eek out a profit to continue to provide for our employees? We know that the Ambix team can provide a high-quality product. Our employees have been with us for years, they are Ambix. What is always the wild card is cost. In establishing Ambix we had the advantage of years of consulting and manufacturing experience in larger organizations around the world. We were able to take learned best practices and implement them on our floor. From the start, we were a lean manufacturer with no added waste and as we grew we utilized a all technological advances available to place us on the same level as larger domestic manufacturers. But as you know, Ambix and other small businesses don't just compete with domestic manufacturers. In fact, most of our competitors lie overseas where they receive substantial subsidies from their home country for operations allowing them to undercut our price points.

Over the years, we picked off all the low-lying fruit for cost-savings in our operations. As many do not realize what goes into plastic injection molding let me elaborate... it isn't much: labor, raw resin, and electricity. We have chosen robotic and other automation options to reduce our reliance on labor- which in our area of the NH has a shortage of available workers and free up our existing workers to focus on higher-level tasks. We do not have much room on resin costs as pricing is dictated by volume and the resin provider. Simply put, we do not purchase railcars and have silos of resin outside our doors. Limited stocking programs allows us some cost savings, but not much. So that leaves electricity. We have

utilized state programs to analyze our operations and installed energy efficient lighting, insulated our pipes and upgraded our HVAC systems, and switched our machinery to reduce our draw on electricity. But electricity remained one of our largest costs to production. We knew the only way to reduce this burden would be to install some form of renewable energy. We went through the exercise multiple times costing out our options. Unfortunately, it was always too cost prohibitive. We, like so many small businesses, are not sitting on a large cash base. When we do have extra, we take care of our building, our machines and our employees. Solar power was never within reach- it would take us years to reach the break-even threshold.

That all changed in 2022, when our electricity provider notified us that our electric rates would increase 52%. You can imagine our shock upon opening that envelope. A 52% increase would cripple us. We would not be able to pass those costs onto our customer and we couldn't eat the costs. We would be out of business. This was not an option we were willing to accept as it wasn't just our families relying on our continued operations, but our employees and their families. So, we reached out to our local economic council and were directed to the USDA where we were counseled of funds available specifically for renewable energy in rural zones through REAP. The USDA counselor spent a good two hours on that initial call answering all of our questions and continues to guide us through the process today.

The old adage, "It takes a Village", is never more true than for small businesses. We could not do this alone. Government programs and their support are integral to our success. So many people held our hands through the whole process from the people at the USDA to our local CDFR and Economic Council. As a result, in December 2023 we were awarded our REAP grant and we immediately placed a down payment with Revision Energy to begin construction of the system that would alleviate much of the cost burden of our electricity reliance. The system of 142 solar panels and up to 100kWh of power went live this summer. Our Engineering Director, Jeff Nicoll, loves to analyze the numbers on a continuous basis. Ambix now expects to offset between 55-60% of its power consumption with the solar generated power. Further, on days when we are not at full capacity or on the weekends, we are pushing energy into the grid - providing support to one of our stakeholders, the residents of Albany.

Honestly, it is a great feeling to be sustainable. Ambix has always had as a pillar to be a steward to the environment and to future generations. It holds true in the jobs we take on as we do not produce any single-use plastic and we use a close-looped system for our plastic raw material ensuring that we regrind all plastic waste and ensure it is incorporated into either our future products or that of another plastic manufacturer. This system also allows us to minimize risks due to climate change and their impact to our electrical grid. And most importantly, it allows us to remain competitive and continue operations that provide domestic choice to other businesses. And when those envelopes show up in the mail from our electricity provider - as they just did again last month - indicating a rate increase of 42%, instead of thinking it is the nail in our coffin, we know that thanks to the REAP grant and those panels on our roof that we will be a high-quality, low-cost plastic injection molder for years to come.

In closing, I would like to thank you again for holding this hearing and listening to Ambix's journey to achieving renewable energy and staying competitive in the global markets. I more importantly want to thank this committee and Congress for supporting us with these life-saving programs. You are ensuring that the U.S. remains a strong competitor in manufacturing. You are helping us support our rural community and our employees and we at Ambix greatly appreciate you working with us and other small businesses on these endeavors.