

Testimony Before the U.S. House Committee on Small Business

April 11, 2018

*Remarks of Chuck Wetherington
(729 Words)*

Chairman Chabot, Ranking Member Velázquez and members of the Committee on Small Business, thank you for the opportunity to testify today.

My name is Chuck Wetherington and I am President of BTE Technologies. BTE, based in Hanover, Maryland, is widely regarded as the leading provider of advanced solutions for physical testing and rehabilitation, manufacturing advanced physical therapy equipment. In addition, our professional services business provides world-class workplace injury avoidance solutions for Fortune 500 companies.

I am pleased to testify today as a member of the Board of Directors and on behalf of the National Association of Manufacturers (NAM), the largest manufacturing association in the United States, which represents more than 14,000 manufacturers in every industrial sector and all 50 states. Manufacturing employs nearly 12.6 million women and men across the country and contributes \$2.25 trillion to the U.S. economy annually. More than 90 percent of NAM members are small and medium-sized businesses like BTE.

Our success, like that of many other small businesses, is due in significant part to our ability to sell to foreign consumers. Global economic growth over the past quarter century has created record levels of demand for advanced and high-quality consumer and durable manufactured goods, including the products we manufacture at our facilities in Maryland and Colorado. Overall, the United States quadrupled U.S. manufactured goods exports over the last quarter century, representing more than half of U.S. output and supporting about six million American manufacturing jobs. And 96 percent of exporting manufacturers are SMMs.

At BTE, we have consistently focused on expanding to new markets every two to four years, the latest being the Gulf Cooperation Council of six Middle Eastern countries, to which exports in three years have grown from virtually nothing to 20 percent of our exports.

However, small manufacturers in the United States face fierce challenges overseas from barriers imposed by foreign countries and from foreign competitors that are advantaged when their home countries ratify more free trade agreements or provide more robust export credit assistance and promotion activities than the United States. For example:

- When the European Union completed its FTA with Korea before the United States, BTE lost significant sales. When the U.S.-negotiated Korea FTA entered into force, BTE's exports to Korea grew 130 percent.
- As a medical device manufacturer, we confront a myriad of regulatory regimes globally, which are often accompanied by conflicting guidelines and requirements. This makes it harder to sell and compete in foreign markets, such as China, which is rolling out major overhauls to its regime.

Negotiating additional trade agreements to eliminate foreign barriers, including regulatory barriers, and providing strong enforcement tools would better enable companies like BTE to expand overseas sales and thereby help support manufacturing and grow jobs here in the United States.

There are other things that would help small manufacturers like BTE.

- **A positive outcome on NAFTA talks.**

The NAM put forward a 10-point plan in June 2017 to modernize NAFTA in a manner that will eliminate barriers, raise standards and strengthen enforcement to grow manufacturing and jobs in the United States. We simply have to avoid outcomes that would increase uncertainty, raise costs or undermine enforcement tools. Canada and Mexico are the two largest foreign purchasers of U.S.-manufactured goods, purchasing more than the next 10 U.S. trading partners combined. At BTE, NAFTA is critical for trade in both directions, as we import manufactured subcomponents for our assembly operations in the United States and export finished goods back to Canada. In addition, our workplace safety business has a Canadian subsidiary, which depends on a strong NAFTA.

- **Senate confirmation of the pending board nominees to return the Ex-Im Bank—which has played a critical role in the ability of companies like BTE to win foreign contracts and level the playing field—to full functionality.**

That would help us compete with companies overseas that benefit substantially from their own export credit agencies.

- **More export promotion assistance programs.**

Over the past three years, the Small Business Administration's STEP program has helped BTE offset costs of participating in trade events in Europe and the Middle East, with very strong returns on investment.

In sum, strong and enforceable agreements, export credit and export promotion are critical tools to level the playing field so that our small business manufacturers can compete and succeed in markets around the world. I urge the committee to support these initiatives.

Thank you.

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