

Manufacturers Association of Maine

21 March 2023

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Senator Nangle, Representative Stover and honorable members of the Joint Standing Committee on State and Local Government. We offer this testimony in support of LD 877, *An Act to Prohibit State Contracts with Companies Owned or Operated by the Government of the People's Republic of China*.

The Manufacturers Association of Maine (MAME) is a non-partisan 501(c)6 non-profit grounded in service to its membership, providing a network of resources designed to support the strategic business growth needs of Maine manufacturing entrepreneurs. Maine's manufacturing businesses are diverse, employing almost 60,000 individuals in military and defense, aerospace, metal fabrication, paper, boat building, semi-conductor, wood products, aquaculture and biotech, medical device, composites and bioplastics, as well as the food and beverage industries. These businesses represent almost 10% of Maine's annual GDP and 14.5% of all the wages paid in the state on a weekly basis. MAME's mission is to help manufacturing grow and succeed and supports Maine's development of future manufacturing through a variety of programs.

While we understand this issue in general seems to be aimed at technology related industries, this bill appears broader in that it prohibits ANY business owned or operated by the government of the People's Republic of China from doing business with the State of Maine directly, or with any entity that receives state funding. We support the approach of this proposal.

The federal government has already taken steps to address the Chinese tech threat with passage of the National Defense Authorization Act which prohibits the federal government from purchasing or using information and communication technology from certain Chinese companies.

Recently, some states have begun to move in the direction of the federal government. In 2019, Vermont banned state use of technology from several Chinese and Russian manufactures. Last year, Georgia passed legislation that prohibits Chinese owned companies from bidding on state contracts. In Florida, Governor DeSantis signed an executive order that prohibits state and local governments from procuring technology from companies owned or domiciled in China. Currently, Maine is one of nearly a dozen states with pending legislation.

We believe this bill addresses a concerning issue and it's important that the state and state funded entities are not inadvertently procuring goods or services that could unknowingly put them at risk. We ask you to support the proposal before you.

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