

DONALD A. MANZULLO  
16TH DISTRICT, ILLINOIS

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# Congress of the United States

## House of Representatives

Washington, DC 20515-1316

July 6, 2012

COMMITTEE ON FINANCIAL SERVICES

SUBCOMMITTEE ON CAPITAL MARKETS  
AND GOVERNMENT SPONSORED ENTERPRISES  
SUBCOMMITTEE ON FINANCIAL INSTITUTIONS  
AND CONSUMER CREDIT  
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MONETARY POLICY AND TRADE

HOUSE MANUFACTURING CAUCUS,  
FOUNDER AND CO-CHAIR

Mr. Tom Wroe, CEO  
Sensata Technologies  
529 Pleasant Street  
Attleboro, MA 02703

Dear Mr. Wroe,

We are writing to express our concerns regarding Sensata's plans to shut down its operations in Freeport, Illinois and move this production facility to Asia. We believe this is an unwise business decision that not only eliminates jobs in northern Illinois, but will hurt the ability of Sensata to compete effectively in the global marketplace.

Many U.S. manufacturers are now considering bringing their production back from China to the United States because of the need for faster lead times, better innovation and quality, as well as the fact that labor costs in China are soaring, and energy costs are driving up the cost of shipping products. A recent newspaper article in the Chicago Tribune highlights the fact that Google has now decided to manufacture its Nexus Q home entertainment device in the U.S. instead of China. The article states, "Google's move reflects a nascent trend of "reshoring" manufacturing operations to the United States. While such actions are largely driven by soaring labor cost in China, other benefits of manufacturing locally are shorter lead times, more responsive partners, and better protection of intellectual property." The Chicago Tribune article goes on to highlight the fact that a February survey by Boston Consulting of 106 U.S.-based manufacturing executives whose companies had annual sales greater than \$1 billion showed that 37 percent of them were considering or planning on moving production back to the United States from China.

Each of our congressional offices have been contacted directly by the employees in our region impacted by this decision. These citizens are tremendous assets to Sensata and we would ask that you strongly consider the value of the highly skilled, highly productive workforce in the northern Illinois region that is second to none in the global economy. The Freeport community as well as communities throughout northern Illinois have also been leaders in putting together innovative workforce development initiatives such as the Work Keys program that assesses and trains workers to match the needs of area employers. The local Work Keys program has been a valuable tool to our local manufacturers. Our region is also supported by superior transportation infrastructure for moving products internationally. Freeport is located in the proximity of United Parcel Services' second largest air cargo hub in the United States, as well as the Union Pacific Railroad Global III Intermodal HUB. This provides a tremendous competitive advantage in the cost of shipping products quickly and cost efficiently.

WASHINGTON, DC OFFICE:

2228 RAYBURN BUILDING, WASHINGTON, DC 20515 • 202/225-5676 • FAX: 202/225-5284  
<http://manzullo.house.gov>

DISTRICT OFFICES:

□ 415 SOUTH MULFORD ROAD, ROCKFORD, IL 61108 • 815/394-1231 • FAX: 815/394-3930  
□ 101 NORTH VIRGINIA STREET, SUITE 170, CRYSTAL LAKE, IL 60014 • 815/356-9800 • FAX: 815/356-9803

Twitter: @donmanzullo

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As members of Congress representing a region of the United States that has one of the highest concentrations of manufacturing, we understand the competitive pressure that your company faces in the global marketplace. We also know that many manufacturers want to bring their production back from China and that is why we support the *Global Investment in American Jobs Act of 2012* (H.R. 5910). This bipartisan legislation proposes a systematic review of all federal laws, regulations, and policies in order to encourage more direct foreign investment into the United States.

Once again, these are just some of the many reasons that we respectfully request that you reconsider your decision to move your Freeport operations, and ask that you meet with us and local officials to discuss any way that we could be of assistance in keeping your production here in northern Illinois. Thank you.

Sincerely,



Donald A Manzullo

Member of Congress

16<sup>th</sup> District of Illinois



Bobby Schilling

Member of Congress

17<sup>th</sup> District of Illinois