

**Statement of Don Allan, President & Chief Financial Officer of Stanley Black & Decker****Before the Senate Committee on Finance,  
Subcommittee on International Trade, Customs, and Global Competitiveness****June 22, 2021**

Chairman Carper, Ranking Member Cornyn, and Members of the Senate Finance Committee, thank you for the opportunity to testify as a witness for this hearing. As President and Chief Financial Officer for Stanley Black & Decker, I lead our global operations organization, which is the heart of our manufacturing and supply chain operations.

**I. Stanley Black & Decker is a Purpose-Driven, World Leading Manufacturer and Significant Global and National Employer.**

- World Leader: A global manufacturer of hand and power tools, infrastructure and industrial equipment, and creator of security solutions. Homes, buildings, and infrastructure projects are built and maintained with our tools and our heavy equipment and attachments. Valuables are protected and health care is provided to people by our security systems and solutions, and vehicles and industrial equipment are constructed with our engineered fastening solutions.
- 1843: Stanley Black & Decker has a long history having been founded in New Britain, Connecticut in 1843. We are still headquartered minutes away from where Frederick Stanley founded his bolt manufactory.
- Purpose: We are a purpose-driven organization guided by our Purpose which is “For Those Who Make The World” because we are in business to help those who use our products and solutions to do better, safer, more significant work. The pandemic reminded us that Those Who Make the World are indeed our key stakeholders – our employees and communities, our suppliers, and our customers—and they are the stakeholders that 55,000 of us serve, every day. I always delight in speaking with Those Who Make the World because they take such pride in the things they build - like schools, hospitals, hotels, bridges, farms, ranches, or when they fix an 18-

wheeler to drive goods across the country. These are the people who led the way in our fight against COVID.

- Those Who Make the World/Critical Infrastructure: These are the people we live for, and in the face of rapid technological and societal change, traditional public institutions like governments, schools, and civic organizations cannot keep pace. But, public trust in corporations is significantly higher than these institutions. We believe that our stakeholders have high expectations of our company and we intend to meet them leveraging the agility, innovation, imagination that we utilized to help the company and our stakeholders survive the pandemic. We will continue to stand with those who demand justice, and to serve as constructive partners with those seeking to address climate, diversity, racial justice, and other social challenges facing our stakeholders.
- Our Societal Role/ESG: We believe, as a leading global corporation, that we have a societal role. With this greater role, we have the privilege and responsibility to help solve the world's biggest challenges through socially oriented innovations, such as building the workforce of the future, addressing environmental concerns, and racial equity.
- Employer: Worldwide, we employ over 55,000 people, with over 17,000 people in the U.S. Nearly 40,000 of these colleagues are employed in manufacturing-related jobs, and thousands more are in engineering and design to create and innovate the world's leading tools.
- Made in USA: We are hiring in the U.S. – we currently have over 2,000 manufacturing and operations jobs open in the U.S. Demand is strong, and we are expanding our U.S. operations. Not only are we the largest hand and power tool manufacturer in the world, we are the only company manufacturing power tools at scale in the United States. Our increased investments, manufacturing and growth in the U.S. is a manifestation of the commitment we made nearly 10 years ago to move our supply chains and operations closer to our customers. For several years,

on an ongoing basis, we have been increasing production in the U.S., building new factories, adding jobs, and contributing to local economies and communities where we operate.

- Committed to DEI and Creating Black Talent Pipeline: On behalf of Stanley Black & Decker, I applaud Congress and the President making Juneteenth a federal holiday. This year, Stanley Black & Decker employees had a companywide day off on Friday, June 18, as a “Day of Hope & Healing” that leads into Juneteenth and honors George Floyd and those who have lost their lives or have been victims of violence. The company encouraged employees to use the day to reflect on the hard work that lies ahead to make our society a better, safer, and more just place to live.

The addition of Juneteenth as an ongoing, company holiday starting in 2022 continues Stanley Black & Decker’s efforts to confront racism and social injustice throughout our communities and across the world.

- In June 2020, following the tragic death of George Floyd, we strengthened our commitment to increase minority talent within our company, at all levels. We are partnering with several non-profit organizations, like the Thurgood Marshall College Fund, to develop diverse talent pipelines, and others that are partnering on developing skills credentials to make manufacturing jobs more accessible to broader and diverse candidates and particularly those displaced by COVID.

## **II. Need for Congressional Engagement and Trade Strategy to Maintain U.S. Competitiveness.**

We are expanding our manufacturing in the U.S. to better meet demands of our customers and end-users across the country, and in fulfillment of our commitment to move our supply chain and manufacturing operations closer to our customer set forth nearly 10 years ago. In this period of recovery from the impacts of the COVID pandemic, we believe a strategic U.S. trade agenda is critical to ensuring a robust and inclusive economic recovery. The agenda

should support job creation in the U.S., expand access to new markets, and ensure global competitiveness of U.S. manufacturing. The United States should remain engaged in the Asia-Pacific region to enhance regional partnerships, support strategic supply chains across those partnerships, and promote high standards in trade.

Strengthening commercial and diplomatic ties with countries including South Korea, Japan, India, and other allies would ensure that no one country is over-relied on for serving the world, and particularly the U.S. market. Strategic U.S. engagement would also strengthen rules-based trade across the region including the disciplined use of subsidies, preventing of currency manipulation, maintaining secure supply chains and critical infrastructure, and improving market access for U.S. companies.

The U.S. trade agenda should also reconsider the Section 301 tariff regime on products of China, particularly those that are inputs used to support U.S. manufacturing. We appreciate the members of this Committee, other members of Congress, and the Administration exploring options to reassess the trade relationship with China. We applaud the Administration's "top-to-bottom" review of the 301-tariff policy as a thoughtful approach to the commercial relationship and we look forward to the conclusion of the review. We also applaud the Senate's support of the provisions of the United States Innovation and Competition Act that reauthorize the Section 301 tariff exclusions and create a new exclusion process that can be more fairly and transparently administered by USTR.

The Section 301 tariffs have created competitive barriers for U.S. companies, thereby creating an advantage for our competitors in other countries, who can continue to sell products into the United States and invest in innovation unencumbered by these extra taxes. The tariffs must also be better managed to not impede or discourage investments in U.S. manufacturing. Increasing high-value manufacturing presence in the United States will necessarily rely on importing at least some inputs. The 25 percent tariffs on these inputs have effectively become a 25 percent tax on U.S. manufacturing. The Senate has helpfully recognized that this is an unsustainable policy and that funds currently being used to pay tariffs would be better spent on investing in new U.S. facilities, manufacturing, and competitiveness.

### III. Supply Chain Resiliency and Agility is Critical to Meeting Customer Demands.

Over the past 16 months or so, through the height of the COVID crisis, we had 3 key priorities that we focused on and continue to focus on:

1. Keeping our employees safe
2. Maintaining our operational continuity; and
3. Doing our part to stop the spread and impact of the virus in our communities.

We are still living these priorities in the U.S. and across the world, and we are currently focused on “strongly encouraging” our employees to be vaccinated – we have run 30 on-site or near-site vaccination drives for our employees, we have conducted robust safety and vaccine communications featuring senior leaders, influencers, medical professionals and in several languages and some specifically for communities of color.

Across the U.S. and throughout the world, the COVID crisis brought into relief several critical aspects of ensuring supply chain resiliency:

- Global Over-Reliance on China: There was a stark over-reliance on Chinese supply chains by all kinds of industries and companies making access to critical care products difficult. Now in the recovery from COVID, there are shortages in the U.S. of many foundational products for technological development including batteries and semi-conductors.
- The Importance of Localization to Enhance Competitiveness and Meet Customer Demands: Global supply chains led to over-reliance on shipping goods across the world, and while the trade network still makes that possible, it is not preferable for companies like ours with capability to manufacture at scale in the United States. Congress should support and incentivize companies to move operations to the U.S., and at the same time, ensure a competitive landscape for manufacturing in the U.S. underpinned by a comprehensive trade strategy, a reassessment of the tariff regime, and sustained support for demand-driven workforce development programs.

#### IV. Stanley Black & Decker is Expanding Operations in the United States, Closer to our Customers.

Roughly 60% of our Tools and Storage sales are to U.S. customers, and about 10 years ago we committed to moving our supply chain and manufacturing operations closer to these customers so we can serve them with the right product, at the right time, at the right price. Some of the recent and forthcoming highlights of our increased operations and manufacturing investment and growth in the US include the following facilities and locations:

- **Ft. Worth, Texas**: In October 2021, Stanley Black & Decker will cut the ribbon on a new facility in Ft. Worth, Texas that will be the new home of Craftsman in the United States. We bought the Craftsman brand in late 2016 and then committed to bringing the manufacturing of the famous Craftsman hand tools back to the U.S., which the brand's prior owner had let go to China decades ago. This year, we make good on that commitment, and will be hiring up to 500 people to run the facility. With Craftsman as a brand that is 99% sold in the U.S., it makes sense to move that manufacturing closer to our primary customers.
- **Jackson, Tennessee**: In Jackson, Tennessee where we make DeWalt-branded pancake air compressors, we have recently expanded the facility to meet U.S.-customer demand for these products through manufacturing right here in the U.S., and also to create metal housings for export. Investments in this facility have led to roughly doubling the number of employees in that facility since 2015 to about 900 employees today, and we currently have over 100 jobs open at that site.
- **Fort Mill, South Carolina**: Similarly, in Ft. Mill, South Carolina, we opened a new power tool manufacturing facility in 2018 to make high-end cordless DeWalt drills and impact drivers, and in turn growing our manufacturing workforce by several hundred employees in the past three years.
- **Mission, Texas**: In 2018, we opened our Mission, Texas manufacturing facility to make power tools that has grown to 450 employees in the past three years.

These expansions have significantly increased our cordless power tool production in the U.S. over the past several years and are representative of the kinds of growth and investments that have resulted in growing our U.S. manufacturing workforce by 40% since 2015. We are moving our supply chain and operations back to the U.S. to serve U.S. demand and could accelerate this growth if the Section 301 tariffs related to China were removed.

**V. Adopting Advanced Manufacturing Processes is Critical to Establishing Competitiveness of U.S. Manufacturing.**

A key driver of enhancing the competitiveness of U.S. manufacturing is the shift to advanced manufacturing which requires both a technological and a human-workforce transformation. New technologies and the infusion of data into the manufacturing process makes manufacturing more efficient, greener, and more responsive to customer demands. Contrary to the perception that advanced manufacturing replaces jobs, our experience has been that in facilities where we have adopted advanced manufacturing—including each of those mentioned by name above—those facilities have increased production and the number employees, significantly.

**VI. With the Advanced Manufacturing Transformation Comes the Responsibility to Skill, Upskill, and Reskill the Workforce in our Facilities and our Communities.**

Introducing and implementing technologies in manufacturing does require new skill sets for our employees. In accordance with our commitment to our employees as a key stakeholder, we are taking on the role of upskilling and reskilling our employees, and skilling the next generation of the workforce to meet these needs. In particular, we coordinate with non-profit partners, governments, technical schools, and teachers to create skilling programs that equip students and mid-career employees, and those looking for new careers, with the skills they need to thrive in the 21<sup>st</sup> century economy. In Jackson, Tennessee, we work with the local public-school system for high school students to train in advanced manufacturing for half their school day and provide classroom space on site for traditional learning in the other half of their day. In Connecticut, we recently created a digital skilling credential with the help of non-profit partners

and the CT College of Technology to prepare post-secondary students with digital skills. In many locations we are taking these learnings to our supplier and customer communities. Congress should proceed with supporting demand-driven workforce development policies that will support the skilling of the next generation of the manufacturing workforce, allowing businesses to lead the way in creating workforce pathways and skilling that meets the needs of those businesses.

It has been a pleasure to provide you with Stanley Black & Decker's perspectives on how trade and related policies can support increased U.S. manufacturing, an inclusive, jobs-led economic rebound from COVID, and how businesses can lead in playing a societal role to aid with adaptation and coping with rapid change. We welcome the opportunity to continue to work with you on these or other issues before the Congress.