

A Penta Policy Insiders White Paper

**Penta** Policy Insiders

# The Tech Takeover

Policymaker discussions on the 2023 digital landscape

January 2024

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## A brief note of thanks

As we start the new year with the publication of this report, we wanted to say “thank you” to the hundreds of policy leaders who participated in our research over the past year. Our work would not be possible without your generous contribution of time.

This year’s research centers on the impact of cyberspace - for policymakers, for advocates, and for the world. In an era of rapid digital advancements, our report provides insights and context for evolving tech priorities and highlights best practices for improving advocacy in an increasingly digital world.

Our mission at Penta Policy Insiders has always been to improve policy conversations. Your candid, anonymized feedback about both policy issues and productive advocacy strategies allows us to evaluate the effectiveness of policy discussions. We continue to provide data-driven insights from senior policymakers to those who work closely with the government in order to improve engagement and bring you constructive resources. We appreciate your ongoing support of our research, and hope you will continue to be a part of the Penta Policy Insiders community!



**Michael Gottlieb**  
Managing Partner of Research, Washington DC  
January 2024

## Executive summary

The digital landscape has never been as complex as it is now. Technological advancements around communications, financial security, artificial intelligence, interconnectedness of markets and supply chains, and access to information have cemented digital security and reliability as essential pillars of modern life.

This holds particularly true for policymakers in the United States who are working to bolster national interests and foster international cooperation in an increasingly digital world. Technology is top of mind for policy leaders this year, both when it comes to policy priorities and reflections on effective advocacy. Based on hundreds of conversations with D.C. policymakers, this proprietary research identifies and tracks tech policy's shifting prioritization and highlights best practices for improving advocacy directed towards policymakers and staff - who are increasingly reliant on and adept with technology in their personal and professional lives.

## Penta Policy Insiders

Penta interviews and surveys thousands of policymakers across all levels of government in Washington, D.C., state capitals, and around the world each year. We use this feedback to provide policymakers with cutting-edge, custom research and content tailored to the pressing issues faced by those in public service. Stay up-to-date by joining Penta Policy Insiders today and following us on Twitter [@pentapolicy!](https://twitter.com/pentapolicy)

This study also draws on similar research that Penta conducts annually on advocacy in Washington, D.C. as well as findings from the Penta Insights Platform.



# Beyond borders: Advancing in a global economy



**At a time where the digital sphere is so internationally integrated, the ability of U.S. companies to securely improve their manufacturing and supply chain practices, either at home or abroad, is top of mind for policymakers.**

Conversations on reshoring and de-risking U.S. supply chains from international markets have recently taken a front seat, with the current Administration even including provisions in the 2022 Inflation Reduction Act aimed at reducing U.S. dependence on foreign countries.<sup>1</sup> And while most policy staff agree that there are benefits to such efforts, some also acknowledge that it may not be realistic to fully domesticate supply chains. Policymakers on either side of the issue indicate that this will remain a priority moving into 2024.



**I'm not one to say, 'We need to bring every supply chain home.' Because that's, number one, impossible in our interconnected global world. And number two, [it raises costs for everyone across the board]... that is something that I think... can sometimes be lost in the political sphere.**

**Communications Director, U.S. House of Representatives (R)**



**I think that the pandemic created a real opportunity for us to take a close and careful look at where our supply chains are, particularly for critical goods. And I think that there is a general desire by those in the Republican Party to either nearshore or restore a lot of that manufacturing.**

**Legislative Director, U.S. House of Representatives (R)**



**I think that individual companies need to think about how they can continue to diversify where they're getting supplies so that we don't have the supply chain issues that we've had in the past, and obviously love it when they can insource a lot more than outsource. But I think our economy is normalizing a bit more and people and companies are going to continue to grow and expand and use labor and companies outside of the United States.**

**Deputy Chief of Staff, U.S. Senate (D)**



**Often it does make sense for companies to have very global supply chains and supply chains that spread across multiple countries. So depending on the sector and depending on the business case, I think there's a number of different ways to approach it that would make sense... I trust generally that businesses tend to know best when it comes to how to manage their supply chains and what countries to engage in.**

**Program Advisor, Department of State (D)**



It's a market need. **I don't think it's practical or feasible for everything we as Americans consume to be manufactured in America.** So I don't blame companies individually for deciding to manufacture offshore. **But there are definitely certain risks.** Now, obviously, with China, there's this national security concern or even human rights concerns that international offshore manufacturing can hide, I think. So those are the kind of things that [there should be] scrutiny for. I think, otherwise, about **having more domestic manufacturing - that's up to the government to incentivize and promote.**

**Legislative Assistant, U.S. Senate (D)**



I'm pretty pro-globalization, pro-international trade. But **I do think that there is something to be said about the nearshoring side, being closer to market, and making sure that you don't have the potential for disruption** if something were to happen across the ocean, like the COVID-19 pandemic. [For] anyone with supply chains halfway across the world - it was a lot harder for them to bring products to market. So it reduces risk. But a big barrier to that is just the cost of moving supply chains that are so integrated and an investment.

**Former Committee Staff, U.S. Senate (R)**





## The discussion on domestic production

The focus on domestic production options has been gaining increased bipartisan support over the last few years. The particular strain the COVID-19 pandemic placed on supply chains demonstrated limits to the current system,<sup>2</sup> and resulted in both Democrats and Republicans acknowledging the need for a shift in processes. In fact, in the last six months alone, two separate initiatives were introduced in the House and Senate, respectively, aimed at securing American supply chains and bolstering domestic production.<sup>3,4</sup>

Policymakers clearly have opinions on whether offshoring is ultimately good for the country as a whole. Some argue that while offshoring may be beneficial for businesses, it may also be detrimental to economic development in the U.S. Policy leaders are focused on issues of employment, costs, privacy, and resources as some of the main factors when it comes to offshoring, nearshoring, or reshoring.



We should be getting away from manufacturing in China, and going to allies... **Pro-democracy states are where people need to be focused on [manufacturing].**

Chief of Staff, U.S. House of Representatives (R)



The rest of the world is offering far better manufacturing or tax rates on manufacturers than the United States is. And if it's an easy product to manufacture and there's the opportunity to move something offshore, there are plenty of examples of companies doing that, and that's unfortunate. So I think that a favorable business climate is the number one most important thing... **if it is not possible to turn a profit domestically, you'll have to look at other options. And that's a sad reality but it's what it is.**

Former Chief of Staff, U.S. House of Representatives (R)



Supply chain and labor having access to the workers that they need is key for the industry... it seems like there's a big push to get more manufacturing on U.S. soil with things like computer chips, microchips, and realizing that **the economy's sort of dependent on a lot of those facilities in China and other parts of the world.** From that side of the economy, **there's probably a lot of need to look at more domestic production.**

Senior VP, Private (D)



**Companies that have managed to stay in the U.S. and keep their U.S. operations open** - I know they pay a cost for that. I think that definitely makes me think of those companies in a more favorable light. They **just seem to have some commitment to the greater good that's worth rewarding.**

Former Chief of Staff, U.S. Senate (D)



I know that manufacturers have struggled for a long time. And obviously, a lot of jobs are being shipped overseas. I have to assume that's probably because **some of the regulations that are in place make it difficult for corporations to be able to compete on a global scale,** [because] regulations are very costly.

Former Chief of Staff, U.S. House of Representatives (R)



Do you have the workers, and the workforce trained for what you happen to be, whatever sector it is? [Do you have] resources, energy costs, labor costs? **Companies need to make a serious decision about looking at the larger picture of manufacturing.** So many took things offshore because of looking at straight labor costs.

Chief of Staff, U.S. Senate (D)

With the economy being the top priority for policymakers this year,<sup>5</sup> the advantages of bringing more companies back to U.S. shores are at the forefront of staff discussions. While some acknowledge that such transitions may require too many resources to accomplish, others express that these changes would be in the country's best interests despite the costs. Policymakers prioritize the United States' standing as a competitive frontrunner in global markets. U.S. policymakers are focused on American companies strengthening their position among international counterparts, particularly when it comes to production and safety in the current technologically driven global economy.





## Conclusion

This report is a synthesis of the federal policy conversations that took place between February and November 2023. At Penta Policy Insiders, our one-of-a-kind, proprietary research centers the priorities of policymakers, allowing them to directly inform policy discussions and advocacy best practices.

**To all our 2023 respondents, we appreciate your participation and welcome your engagement in next year's research cycle.**

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## Credits

### Senior Content Associate

Maddie Markenson

### Senior Content Associate

Kinda Ahmed

### Associate Director, Government Insights & Research Products

Natalie Bahmanyar

### Director, Research

Sehare Hemani

### Chief Research Officer

Michael Griffin

### Vice President, Policy Insiders

Scott Luginbill

### President

Michael Gottlieb

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# Penta Policy Insiders



[You have] a good reputation, especially from the D.C. perspective. But also I feel like having access to resources and being able to give feedback that moves conversation is valuable... when you come to our office with a reasonable ask and understanding what we're dealing with, it's more likely that we're able to get things done... it ends up in a better place for all of us, and more actionable, which is kind of the name of the game here, to actually get things done.

**Director, Executive Branch**

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