



Warwick Mills

The Transatlantic Economy:

Testimony by Charles Howland
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before the

Subcommittee on European Affairs
Senate Foreign Relations Committee

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At Warwick we have a few thoughts with respect to trans-Atlantic trade. The EU is a critical trading partner for American companies. In our own case we have product lines whose primary market is in the EU. As a small business we exist on the value of our innovations. We must invent to thrive. To make a commercial success out of our inventions we must have access to markets that are deep and sophisticated. Europe is at the top of the list in these characteristics.

In the technology and materials sector products are very targeted and must conform to regional standards and specifications. These are not commodity offerings and the basis for competitive advantage is in the advanced engineering. Programs of this type allow us to manufacture in NH at a profit. At a national level we are engaged in a debate about how to retain and expand manufacturing employment. On the ground a few small manufactures have found a new business model. The model is based on developing best in class technology products and selling then into specialty markets where they can command a premium. Europe customers understand this value proposition, operate on a clear legal basis, and respect intellectual property.

Maintaining the required levels of R&D investment is an ongoing challenge for small companies. Taking a concept through to a revenue product is not a sure thing. We have found that keeping both domestic and European requirements as objectives doubles our potential of success. The current more realistic valuation of the dollar is helpful. The return to a bi-lateral foreign policy and constructive engagement in with the Europeans on issues such as Climate change are all important. However the key to trade with Europe is to build and maintain technical leadership in the engineering of our products.

There are some issues with Federal Policy that we would like to comment on. The SBIR/STTR program coming from the DOD is an enlightened program. However the DOD program is focused solely on internal domestic needs for new technology and can not drive exports because of ITAR controls. We propose that the US Commerce Department should get involved and become a full participant in the SBIR program. The DOC focus would be on development of export products and the creation of manufacturing jobs.

Warwick Mills is based in New Ipswich, NH and is a manufacturer of advance protective garments and flexible composites with high cost of failure. Established in 1888, Warwick engineers these protective suits and systems from concept, through prototype, and into production. Engineering and manufacturing operations include lab testing, research and development, material production, laminating, and final assembly.

In 2008, Warwick Mills was Awarded Export Achievement Certificate from the United States Department of Commerce which recognized the firm's recent growth in the past five years in the global marketplace. A significant portion of this achievement was due to Warwick's strong export business in Europe, particularly Great Britain, Netherlands, Germany and France. In addition to Warwick's premier position in stab-resistant body armor technology in Europe, the company has a broad line of protective materials found industrial suits, gloves, and a tire components including the anti-flat component is the largest-selling bicycle tire in Europe. Warwick's line of TurtleSkin Gloves provides the highest level of puncture, stab, and protection from hypodermic needles, nails, wire, glass fragments, metal shards, wood splinters and cuts, meeting the rigorous EU standards requirements.

One of Warwick's largest customers worldwide has been the Netherlands National Police. Beginning in 2005, Warwick began a collaboration with Ten Cate, a Dutch manufacturer, and BSST, a German manufacturer, and together won a contract to supply the Netherlands National Police force with stab and ballistic body armor, to date which has reached over 90,000 body armor units. This award came after the three companies successfully answered a second call for proposals issued to the European market.

Warwick holds 14 international patents in protective materials. The company produces TurtleSkin protective materials and products for applications requiring advanced levels of puncture and cut protection, as well as durability and performance. Warwick's staff participate in ASTM and ISO standards committees both in North America and in Europe.