

N A M M E M B E R FOCUS

AUGUST 2009

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NAM National Association
of Manufacturers

www.nam.org

EFCA Lives on in the Senate

On June 30, the Minnesota Supreme Court unanimously ruled Al Franken (D) the winner of the 2008 Senate race. The official result had been drawn out by a 238-day legal battle over the treatment of absentee ballots

and standards for counting votes in some localities. It was one of the closest elections in modern history, with Franken beating Republican Norm Coleman by only 312 votes.

Along with the recent party switch of Senator Arlen Specter (D-PA) from Republican to Democrat and the two Independent Senators Bernie Sanders (I-VT) and Joe Lieberman (I-CT), who caucus with the Democrats, Franken's win gives the Senate Democratic leadership a

60-seat supermajority. This could allow them to invoke cloture, limiting extended debate on significant issues and enabling them to move forward with key items on their agenda.

For manufacturers, this development brings the dangers of the misnamed Employee Free Choice Act (EFCA), or “card check,” to the forefront once again. Franken is a supporter of the EFCA and will be a pivotal vote for those who wish to see this

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Obsolete Export Control System Must Be Repaired

In July, I testified before the House Committee on Foreign Affairs Subcommittee on Terrorism, Nonproliferation and Trade about our nation's export control system. Today, this same export control system is hampering our national security, and our ability to innovate and compete in world markets.

In short, the nation's export control system is a relic of the Cold War that needs to be completely revamped. When the current system was developed, the United States was the source of almost all cutting-edge technologies and could deny foreign access to them. Those days are gone. The U.S. share of world exports has been falling steadily, at least in part because this country's major strengths lie in advanced technologies, which are most vulnerable to the present export system that restricts too many technologies and costs manufacturers jobs and global market share.

The National Academies of Science reported earlier this year that the current system is not producing the degree of security needed for today's threats and harms our ability to compete economically.

On August 14, President Obama called on the National Economic Council and National Security Council to conduct a broad-based review of the U.S. export control system, including dual-use technology and defense exports. The President is right in recognizing that the existing export controls system does not meet today's security threats or global technological realities.

An efficient system that carefully focuses on sensitive and unique technologies without hampering other exports is essential as America competes in an



increasingly crowded world market for high-technology goods and services. Restricting U.S. exports of products that others make and sell freely does not benefit U.S. security; it harms our economic strength and our ability to continue to develop technologies.

The National Association of Manufacturers (NAM) has been calling for the initiative the President announced and will work with the Administration, both directly and as part of the Coalition for Security and Competitiveness, toward a more effective system that protects national security and encourages exports and economic growth. To read my full testimony before the House Committee, please visit www.nam.org/exportcontrols.

John Engler is the president of the NAM.

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jobs-killing legislation passed. In fact, his first act as Senator on July 7 was to sign on as a co-sponsor of the bill. Last month, President Obama also reiterated his commitment to passing the bill.

The legislation skews the principles of balance inherent in the labor law system in an effort to inflate union membership. A recent economic analysis shows that passage of the EFCA would result in a 1-percentage-point increase in unemployment for every 3-percentage-point increase in union membership in the first year after enactment. Based on union leaders' projections of increased union membership under the EFCA, this legislation would cost 600,000 American jobs.

Several Senators are working behind closed doors to develop a variation of this legislation in an effort to secure the 60 votes needed, but the alternative proposals are just as onerous. One idea being discussed is "ambush elections," which would limit the amount of time before union elections to as few as 5 to 14 days, shortening the opportunity for employees to evaluate the costs and benefits of union participation. And it is likely that any alternative legislation would include some form of binding interest arbitration that would open the door to the government dictating the terms of the employer-employee relationship, including wages, benefits and work rules.

Debate on this fundamentally flawed legislation will resume in the fall, after labor bosses' vast grassroots mobilization campaign during the August Congressional recess. The National Association of Manufacturers (NAM) continues to communicate to the Administration and Congress that the EFCA, *in any form*, will prolong the current recession and devastate manufacturers economically.

To contribute to this effort, join the NAM *Speak Out*. Please visit www.NAMSpeakOut.org. ■

Waxman-Markey Moves To the Senate

Senate Environment and Public Works Committee Chair Barbara Boxer (D-CA) has announced plans to resume work on the Senate's cap-and-trade legislation upon returning from recess on September 8. This schedule would still allow for an October floor debate and meet

President Obama's request to have a bill signed into law before the United States enters United Nations climate change talks this December.

In June the House of Representatives narrowly passed the sweeping American Clean Energy and Security Act, also known as Waxman-Markey, by a vote of 219 to 212. The National Association of Manufacturers (NAM) opposed this bill because of the increased cost and regulation it would impose on American manufacturers and consumers. In a letter to the House, the NAM also expressed concerns that the competitive damage would be especially severe if the United States acts unilaterally, and China, India and other manufacturing economies do not limit their own emissions.

On August 12, the NAM and the American Council for Capital Formation (ACCF) released a study on the impact of Waxman-Markey on manufacturing, jobs, energy prices and the overall economy. The NAM and ACCF released national data as well as the analysis for all 50 states. Among the key findings were that Waxman-Markey would result in losses of up to 2.4 million jobs in 2030 and up to a \$3.1-trillion loss in cumulative GDP by 2030.

"Climate change is a very complex issue and I hope Senators will look closely at this study as they consider climate change legislation this fall. Unfortunately, this study confirms that the Waxman-Markey Bill is an 'anti-jobs, anti-growth' piece of legislation. Further,



leaders of countries such as China and India have made it clear they have no intention of reducing their own emissions. Waxman-Markey would give an edge to overseas competitors, discouraging domestic investment and the creation of American jobs," said NAM Executive Vice President Jay Timmons.

The NAM remains committed to working with legislators and the Administration to establish sensible and responsible climate change policies that reduce greenhouse gas emissions while ensuring that America remains competitive on a global scale. For more information on the NAM/ACCF study on the impact of Waxman-Markey, visit www.nam.org/climatechangereport. ■

CONGRESS PASSES NAM-SUPPORTED CASH FOR CLUNKERS EXTENSION

In one of the last pieces of official business before adjourning for August recess, the House and Senate passed a \$2-billion extension of the Consumer Assistance to Recycle and Save Program, or "Cash for Clunkers." On August 7, the bill was signed into law by the President, officially extending the program until Labor Day. Funding for the program was originally expected to last through November, but the U.S. Department of Transportation reported that all funding would be exhausted by the end of July, prompting the House to pass the extension on July 31.

On August 3, the National Association of Manufacturers (NAM) sent a letter urging Senators to support the extension of the program – which has been successful both in stimulating the production of sales of new cars and trucks and in promoting more energy efficient vehicles. The auto industry represents the country's largest manufacturing base and is currently facing challenges of historic proportions. Over the past 16 months, retail sales of motor vehicles have fallen 26 percent, vehicle production has fallen 41 percent and the sector has lost 297,000 jobs. Fifteen percent of the 1.96 million manufacturing jobs lost during this recession have come from the auto sector.

The NAM supports Cash for Clunkers and its much-needed boost to the struggling industry, including manufacturers, dealers, suppliers and other related industries. A revitalized auto industry is key to a strong manufacturing sector and to our nation's economic recovery and future growth.



Health Care Reform

In the midst of mounting debate over health care reform, Congress has adjourned for August recess.

While health reform advocates are hoping for swift action in September, polls are showing that the American public may not be in such a hurry. According to Gallup polling, seven out of 10 Americans would prefer the focus to be on improving the health of the economy

rather than outlaying a major investment in health care when the return on that investment is uncertain.

Furthermore, according to Gallup, Americans appear concerned about the benefits of what they perceive to be “less-than-fully-informed” representatives in Washington rushing into a new health care reform law when the need for such legislation is not the highest on the public’s agenda.

Despite the polls, Congress is moving forward with sweeping reform proposals. In July, the House unveiled the America’s Affordable Health Choices Act (H.R. 3200), and a vote on the bill is likely to occur in the second week of September. The National Association of Manufacturers (NAM) has voiced concerns about several provisions in H.R. 3200, most notably a tax surcharge on small businesses to pay for health reform. This surcharge will mean less money for small businesses to provide health insurance and to create or even retain jobs. President Obama has announced his support of the tax surcharge.

The House bill also includes a government-run public plan that could disrupt and undermine employer-sponsored health care. In addition, costly new mandates would require all group health plans to meet a standard “one-size-fits-all” benefit package within a five-year period, threatening Americans’ ability to keep the health care coverage they have.

In the Senate, the Health, Education, Labor and Pensions (HELP) Committee concluded its markup and approved Chairman Kennedy’s (D-MA) Affordable Health Choices Act on July 15. The Senate Finance Committee did not reach bipartisan consensus on its bill before leaving for the August recess but planned to continue discussions through the month.

Unlike the House legislation, the Finance bill will not include a tax surcharge on S-corporations or a public plan, according to Committee Chairman Baucus (D-MT). The NAM has long advocated finding savings through delivery system reforms within the health system rather than increasing or imposing new taxes on employers and others. The NAM continues to urge Congress to consider a bipartisan solution that helps lower the cost of health care while providing needed coverage for millions of uninsured Americans.

The Finance Committee’s bill must be merged with the HELP Committee bill before a Senate vote can be held. This is expected to take place on September 15. The NAM is encouraging members to contact their U.S. representatives and senators during the August recess to express concern about health reform proposals that would increase costs for manufacturers. ■

MANUFACTURING INDUSTRY RANKED #1 FOR ECONOMIC PROSPERITY

A recent survey by Deloitte LLP and The Manufacturing Institute (MI) shows that Americans view manufacturing as the most important industry for a strong national economy.

According to *Public Viewpoint on Manufacturing*, 71 percent of respondents considered manufacturing a national priority and 59 percent agreed that the manufacturing industry in the United States effectively competes on a global scale.

But there was a wide perception gap. While Americans viewed the manufacturing industry as crucial to the national economy, only 17 percent named manufacturing as among their top two industry choices to start a career, and only 30 percent of parents said they would encourage their children to pursue jobs in manufacturing.

“People have an outdated image of manufacturing and the career opportunities available. Jobs now require postsecondary education, skills certification and credentials across a broad range of high-quality, middle-class career paths,” said MI President Emily DeRocco.

To connect workers with today’s skilled manufacturing jobs, the MI launched the National Association of Manufacturers (NAM)-Endorsed Manufacturing Skills Certification System, integrated educational programs in high schools and community colleges that prepare young adults and transitioning workers with the entry-level skills needed for advanced manufacturing careers. The skills system is currently being deployed in community colleges in four states with a grant from the Bill and Melinda Gates Foundation. Fourteen additional states are planning deployment.

Increasing the number of skilled workers for manufacturers in the United States will drive America’s competitiveness and enrich the future of manufacturing.

Case New Holland Inc. Hosts Lobby Day in Washington



On June 24, Case New Holland Inc. (CNH), of Burr Ridge, Ill., hosted its annual fly-in and lobby day. CNH plant managers and executives met with Senator Mike Johanns (R-NE) and Representatives Joe Pitts (R-PA) and Paul Ryan (R-WI) to discuss trade, energy policy and the contentious Employee Free Choice Act, or “card check” legislation. They also received a helpful political briefing on the dynamics of the White House and Congress. CNH is a worldwide designer, manufacturer and distributor of agriculture and construction equipment.

Upcoming | Events

NAM'S WELCOME BACK TO CONGRESS RECEPTION

September 9, 2009
Washington, D.C.
Colleen Vivori
(202) 637-3114
cvivori@nam.org

NATIONAL PUBLIC AFFAIRS STEERING COMMITTEE MEETING

September 9-10, 2009
Washington, D.C.
Tiffany Adams
(202) 637-3118
tadams@nam.org

NAM BOARD OF DIRECTORS MEETING

October 6-8, 2009
Washington, D.C.
Dana Lee Cole
(202) 637-3118
dcole@nam.org

Take Action and Speak Out During August Recess

In July, National Association of Manufacturers (NAM) Executive Vice President Jay Timmons hosted four live webcasts to discuss ways NAM members and manufacturing employers can *Speak Out* during the Congressional recess—against health care reform that increases cost and raises taxes on small businesses, against raising energy prices for businesses and homes, and against interfering in the balanced legal relationship between management and employees with “card check” and other misguided schemes. The NAM also hosted a “town hall” style call for employees to express their concerns regarding these issues.

The NAM is urging employers to contact their members of Congress in their home districts, ask their employees to write letters, and talk about these important issues with their colleagues and in their community. When members of Congress return to Washington in September, they will take up legislation that could increase costs and make it more difficult to create and retain jobs in the United States. Policymakers need to understand that manufacturers will hold them accountable for every vote they make on policies that will limit manufacturers' ability to compete.

This is a critical time for manufacturing in America, and every voice counts. To participate in the NAM Speak Out, visit www.NamSpeakOut.org.



The Dialogue Starts Here

The Shopfloor.org blog is where people interested in manufacturing gather to get the latest take on technology, energy, litigation, climate change, the skills gap, health care reform, broadband, foreign trade, infrastructure, intellectual property — anything and everything that affects manufacturing. We are cited all over the media spectrum — from *National Review* to *Politico* — and echo across the blogosphere. Come join the conversation.



WWW.SHOPFLOOR.ORG
The Top Public Policy Blog on Manufacturing

Progress on Agenda

NAM INTRODUCES NUCLEAR COALITION

The National Association of Manufacturers (NAM) recently announced the formation of the Nuclear Energy Workforce (NEW) Coalition, a cross-section of manufacturing and construction companies working to empower a new generation of skilled workers to assume high-paying jobs in a resurgent, expanding nuclear power industry. A typical power plant creates up to 15,000 jobs during pre-construction, up to 2,400 jobs during construction and about 700 permanent jobs thereafter. A renewed commitment to nuclear power would also reduce greenhouse gas emissions and provide the vast manufacturing supplier network with substantial employment opportunities.

CONGRESS APPROVES SHORT-TERM TRANSPORTATION FUNDING

Clearing the measure for President Obama's signature, on July 30 Congress voted in favor of legislation to transfer

\$7 billion from the U.S. Treasury to the Highway Trust Fund. The transfer assures continuity and continued investment in transportation infrastructure projects around the country through September 30. However, a clash between the House and Senate appears likely in September over funding of a long-term reauthorization bill proposed by the House Transportation and Infrastructure Committee. The White House and Senate leaders appear to favor an 18-month extension of current highway and transit programs at fiscal year 2009 levels, which will allow them to postpone consideration of any revenue increases until after the 2010 Congressional elections. Others, including House Transportation and Infrastructure Committee Chair Jim Oberstar (D-MN), prefer to keep the pressure on lawmakers to pass a long-term bill as soon as possible. The NAM supports the short-term infusion of funds and is urging Congress to work to pass comprehensive legislation before the

September 30 deadline so that efforts to sustain jobs and manufacturing competitiveness are not delayed.

DEADLINE TO SUPPORT EXPANDED OFFSHORE LEASING IS SEPTEMBER 21

The NAM is urging manufacturers, their suppliers and customers to file comments with the Obama Administration in support of environmentally sound exploration and development of energy resources on the Outer Continental Shelf (OCS). The proposed plan issued by the Interior Department's Minerals Management Service (MMS) in 2008 would lift the federal ban on OCS development and may open 31 new lease sites between 2010 and 2015. Comments are due September 21. To voice your support for efforts to increase domestic energy supplies, visit www.nam.org/contactMMS. Using this valuable input, the MMS will draft a revised plan for access to and development of OCS resources. ■

2009 Competitiveness Redbook

National Edition

A Compilation of Key Indicators of State Manufacturing and Business Climates



A joint effort of the National Association of Manufacturers, Association of Washington Business and Washington Research Council

2009 Competitiveness Redbook Available Now!

Order your copy of this comprehensive, must-have business publication to determine how your state ranks in specific key areas. The *2009 Competitiveness Redbook—National Edition* is newly updated with economic indicators ranking each of the 50 states to help your company assess your business competition this year. The *Redbook* provides a concise snapshot of the structural costs facing U.S. manufacturers at the state level in key areas such as wages and output of workers in manufacturing, union membership and educational statistics.

The data included in the *2009 Competitiveness Redbook* are essential for economic development professionals and those instrumental in forming public policy. Purchase your copy for only \$10.00 (NAM member price) or \$15.00 (non-member price). Call (1-800) 637-3005 or order online at www.nambooks.com.



Has your company recently been honored by a business or civic group or an elected official? Please email Clare James Johnson at cjohnson@nam.org to share your achievement with other NAM members.

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Legally Insane

WARNING: HOT WATER MAY BE HOT

The Foundation for Fair Civil Justice has released the winners of its 12th annual "Wacky Warning Label" contest. The awards are given for the inventive and sometimes absurd lengths companies will go to discourage lawsuits.

This year's winner submitted the label attached to a portable toilet seat for outdoorsmen. The "Off-Road Commode" is designed to attach to a vehicle's trailer hitch. The warning label reads, "Not for use on moving vehicles."

Other winners include:

- A wart removal product instruction guide that warns, "Do not use if you cannot see clearly to read the information in the information booklet."

- A label on the underside of a cereal bowl that warns, "Always use this product with adult supervision."
- A small, 1-inch x 4-inch LCD panel that warns, "Do not eat the LCD panel."

"Outrageous warning labels confirm that the American civil justice system is out of whack! Legal reform is urgently needed to help propel America's economic recovery," said Bob Dorigo Jones, the contest's creator.

Sure, the labels are silly. But the fact companies feel compelled to protect themselves this way? That's Legally Insane.

Follow the NAM online!



NAM Member Focus

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