

**Jay Timmons' Remarks to the North Carolina Chamber of Commerce  
May 1, 2014**

**As Prepared for Delivery**

While my personal roots go back to Ohio, my political roots start in North Carolina. I served as press secretary to then-Congressman Jim Martin and then his successor, Alex McMillan. I also worked on the transition of Governor-elect Martin.

I was working for Congressman McMillan when there was a terrible drought in the Midwest. Farmers in North Carolina were pitching in and sending hay to the farmers out there.

In my youthful enthusiasm, I had a brilliant idea. We would invite a local news crew to a nearby farm where Congressman McMillan would be baling hay to show his support for those stricken by the drought and to humanize him a bit—make him seem less buttoned up and more like his constituents.

He wasn't particularly excited about the idea, but for some reason, he went along with it. Unfortunately, he didn't come dressed for the occasion.

There, in front of the news crew, he was baling hay in full congressman regalia—suit, starched white shirt, wingtips, tie.

It wasn't quite the image I had been hoping for.

I always appreciate the opportunity to come to the Tar Heel State, even more so when it's at the request of the North Carolina Chamber of Commerce.

The North Carolina Chamber is a key ally in our efforts to strengthen manufacturing in the United States. Lew [Ebert] and his team are always ready to answer the call and add ideas and perspectives of their own to assist our efforts. It's a true partnership, one we value highly at the National Association of Manufacturers (NAM).

The NAM works with a number of state associations across the country, and I can tell you that North Carolina is extremely fortunate to have leadership like the Chamber's working for businesses in this state. Lew is absolutely best in class.

Manufacturers have never lacked ideas—and neither have North Carolinians. This is the state that gave us flight and stock car racing. It's the state that gave us Cheerwine and Pepsi as well as endless debates about whose barbecue is better.

Your Vision 2030 initiative is a perfect example of the kind of forward thinking in which business advocates must engage. Our challenge is finding solutions to the problems we face today and predict the problems we'll face in the future.

I often talk about a Manufacturing 2020 Vision, but whether you are looking ahead to 2020 or 2030, it is clear that manufacturers have a lot of work ahead of us.

When you consider where manufacturers are today, we need strong advocates at all levels of government.

Unfortunately, Washington doesn't get it, and there is no better example of its failure to work for American businesses than the recent action—or inaction—on the Keystone XL pipeline.

For five years, the Obama Administration has put politics ahead of policy. Pieces of the pipeline are gathering dust in the Dakotas, at the expense of thousands of jobs and a key element of a strong energy policy.

In the time this permitting process has gone on, we could have built the Golden Gate Bridge and the Empire State Building.

Americans elect our political leaders to make decisions. We may not always agree with those decisions, but policymakers owe it to the American people to do their jobs and not cynically avoid making tough choices.

The Keystone pipeline is just one example of how Washington is failing manufacturers. On a host of issues, policymakers are making it harder to compete—either by doing nothing, as is the case with Keystone, or by advancing an agenda counter to growth and jobs.

Of course, one way to change that is at the ballot box. I know for many of you here, it seems like election season has come early, and I don't think things are going to get any quieter after the primary next week.

But we can't wait for the elections. Manufacturers can't afford to stand still for the next eight months. We need Washington to start working for us now.

The good news, however, is that manufacturing is stronger than our dysfunctional political system. Even when Washington seems lined up against us, manufacturers are finding ways to succeed.

Manufacturing is making a comeback in America, but think how much more we could do if Washington stopped making it harder to do business.

When I visit manufacturers across the country, I see the optimism. Polling bears that out. The NAM and *IndustryWeek*'s recent survey of manufacturers found that 86 percent have a positive outlook about the future of their businesses. Yet, I also see the frustration—frustration with a government that talks about manufacturing, but does little to back it up.

The growth in our sector—modest as it is—has come in spite of Washington and not because of it.

On nearly every issue that matters to manufacturers, the United States risks falling behind our global competitors. That's why the NAM has no choice but to be more aggressive than ever before.

Among our most urgent priorities is ensuring that manufacturers have the talent to fill the jobs of today and tomorrow.

As every person in this room can attest, manufacturers will never perform at our best if we don't have the right people.

One part of the solution to the skills gap is comprehensive immigration reform, which remains a priority for the NAM and will get done.

The other part is education and training. To his credit, Lew has made closing the skills gap a matter of urgency for the Chamber, and the state's leaders are listening.

Recently, Governor McCrory visited NAM headquarters in Washington during a meeting of our Task Force on Competitiveness & the Workforce, a group of manufacturing executives convened to chart a way forward on the skills gap. North Carolina is well-positioned to create a model for other states.

For one, you have some of the top centers of higher education in the world, which provide fertile training ground for the next generation of manufacturing workers and are incubators for innovation.

We also have to realize that college may not be for everyone, and the lack of a four-year degree should not be an obstacle to a career in manufacturing. Community colleges have a role to play as do other technical education programs.

Forsyth Tech in Winston-Salem, for example, is a national leader in skills certifications and a model for other institutions.

Beyond the skills gap, the list of challenges to manufacturers' competitiveness goes on—and seems to multiply every day.

Abundant and reliable North American energy is a major competitive advantage for us. Yet, the Environmental Protection Agency (EPA) and its allies in Congress seem willing to forgo this incredible opportunity and stand in the way of an "all-of-the-above" energy strategy.

It's no secret that the Obama Administration is happy to have the EPA set the nation's energy policy. Its agenda jeopardizes the energy revolution that has almost singlehandedly helped us emerge from the economic downturn. Regulations on emissions

from power plants, the upcoming ozone rules, new water rules and more would slow down, if not halt, this progress.

We can't simply place all the blame on the Obama Administration. Energy efficiency and sustainability are key aspects of an "all-of-the-above" energy strategy, but cost-effective and responsible measures to promote energy efficiency continue to meet resistance in some conservative circles. We've conducted polling that found energy efficiency isn't a liberal or conservative issue; it's something 9 out of 10 Americans support. And no surprise here, the manufacturing sector leads the way in adopting efficient and sustainable energy practices.

In addition to environmental regulations, we face a broader regulatory agenda that makes it harder and more costly to do business.

I constantly hear from NAM members about challenges they face in dealing with the regulatory system in this country. One die caster in the Midwest told me that one out of every five dollars of the company's pretax profit is spent on complying with a dizzying array of new regulations.

One small manufacturer had an inspector at his facility tell him a fire extinguisher was affixed too low on the wall, making it difficult for employees to see. The manufacturer corrected the problem, only to have another inspector come to his plant weeks later to inform him that the fire extinguisher was too high and, therefore, in violation of the Americans with Disabilities Act.

The only way to accomplish regulatory reform is for Republicans and Democrats to find common ground, and I believe that's possible. However, we need to change the way we talk about regulations in some settings by focusing on transparency, on accountability and on sound science. On regulatory reform, our message should unite the parties, not drive a wedge between them.

Sometimes, however, merely offering education and feedback doesn't get the job done. That's why the NAM has had to "lawyer up."

I know manufacturers would rather be on their shop floors than on the courthouse steps, but sometimes, we don't have a choice.

We launched our Manufacturers' Center for Legal Action last fall, and it has already made an impact, fighting for manufacturers at all levels. The Center gives us a breadth of legal coverage that, quite frankly, we've never had before at the NAM.

We recently argued before the Supreme Court, challenging the EPA's greenhouse gas rules. That's just one of our cases against the EPA.

A federal appeals court in Washington recently delivered us a partial win in our case against the Securities and Exchange Commission over its conflict minerals rules.

I'm proud to say that we won our case against the National Labor Relations Board's (NLRB) poster rule, but that rule is just a skirmish in the larger battle against federal agencies that are trying to pit workers against management.

Our campaign against what we call "Covert Card Check" pushes back against administrative efforts to promote a labor agenda that can't pass Congress. Building on our success with the NLRB case, we've challenged the Office of Federal Contract Compliance Programs' poster rule, and we're gearing up to challenge the NLRB's "ambush election" rule, the Labor Department's persuader rule and the Occupational Safety and Health Administration's (OSHA) third-party inspector rule that allows union reps to enter your facilities with an OSHA inspector.

Beyond legal action, our agenda continues to be broad and robust.

I don't need to tell equipment manufacturers that our infrastructure in this country is badly out of date and in dire need of repair. But too many politicians haven't received the message.

At the NAM, we're shaping the debate on infrastructure, convincing skeptical lawmakers that infrastructure investment is absolutely a federal responsibility—and more than that, it generates a quantifiable return on taxpayers' investment.

On international trade, we are facing some steep challenges, so we're bringing manufacturers to Capitol Hill to tell lawmakers how free and fair trade impacts their businesses and bottom lines. Manufacturers cannot underscore enough the importance of market-expanding policies for our sector.

More than 93 percent of this state's exports are manufactured goods—that's \$27 billion dollars' worth. Exports support more than 150,000 jobs.

Lawmakers need to get that message. Right here in North Carolina, we are reaching out to members of Congress in hopes of bringing them around to support pro-growth trade policies. Last week, we hosted Congressman David Price at BASF's Research Triangle Park—he's someone who has been with us on some trade issues and against us on others.

By getting members of Congress on shop floors and face-to-face with manufacturers, we can win swing votes.

In 2013, exports reached an all-time high; however, this progress is in jeopardy. One big concern for manufacturers is that the Export-Import (Ex-Im) Bank must once again be reauthorized this year.

The Ex-Im Bank provides financing support to manufacturers seeking to sell their products abroad. Ninety percent of the bank's transactions support small business, and last year, it returned a profit to the U.S. Treasury. Yet, despite this track record, the bank

once again faces vocal opposition, and the upcoming reauthorization fight is going to be far more difficult than it was two years ago. Reauthorizing the Ex-Im Bank is going to take an all-out effort.

If the bank closes, it is tantamount to unilateral economic disarmament in the face of a highly competitive global economy.

When you leave here today, go check to see how your representatives voted on the Ex-Im Bank in 2012. If they opposed it, call them up and urge them to support growth and jobs this time around. If they voted for it, call them up and thank them for their support later this summer.

On the subject of tax reform, we have to be ready. Even though some lawmakers are proclaiming that tax reform is dead on arrival this year, we can't sit passively on the sidelines. The discussions currently happening on Capitol Hill will shape tax reform legislation.

When tax reform happens—and one day it will—it has to be done with economic growth as its first priority. That's why manufacturers must insert themselves smack-dab in the middle of the debate.

Regulatory reform, infrastructure modernization, tax reform, an “all-of-the-above” energy strategy—those are all key ingredients in a competitiveness agenda.

I've just outlined a long list of priorities, but let's be clear—for America to maintain our mantle of economic leadership, we need policies that help manufacturers seize the opportunities before us, not policies that hold us back.

Manufacturers must continue to advance and advocate pro-growth policies, even in a difficult political environment. Through our legal work, our relationships with Congress, our partnerships with traditional and nontraditional allies and our advocacy campaigns that leverage the power of social media and grassroots networks across the country, the NAM ensures manufacturers' interests are heard loudly and clearly and acted on in Washington.

Don't forget what is at stake:

Manufacturing means jobs for 12 million men and women. It means a \$2 trillion contribution to our country's economy. Manufacturing alone is larger than the economies of all but seven countries.

None of these policy objectives will be easy, especially as we enter an election year. The business community has to make sure that we are positioned to inject ourselves in key races—more so than ever before. After all, at the end of the day, we need to have the best people governing our country, people with a pro-growth policy agenda. Not just politicians who say they support pro-growth policies, but the leaders who actually will.

Otherwise, it's more of the status quo: an economy that's plodding along and failing to create enough jobs for the millions of Americans who are out of work and the millions more entering the workforce.

For me, it's personal. During the Great Depression, my grandfather left the family farm and waited in line for months in hopes of getting a job at the local Mead paper plant in Chillicothe, Ohio. His persistence paid off. His job became a career in manufacturing. It moved my family into the middle class and gave his children and grandchildren opportunities that were unavailable to him.

With groups like the NAM and the North Carolina Chamber working together, manufacturing will offer a similar promise to American families today.