

The National Association of Manufacturers

# MEMBER FOCUS

*Leading Innovation. Creating Opportunity. Pursuing Progress.*

November 2010  
[www.nam.org](http://www.nam.org)

## POST-ELECTION

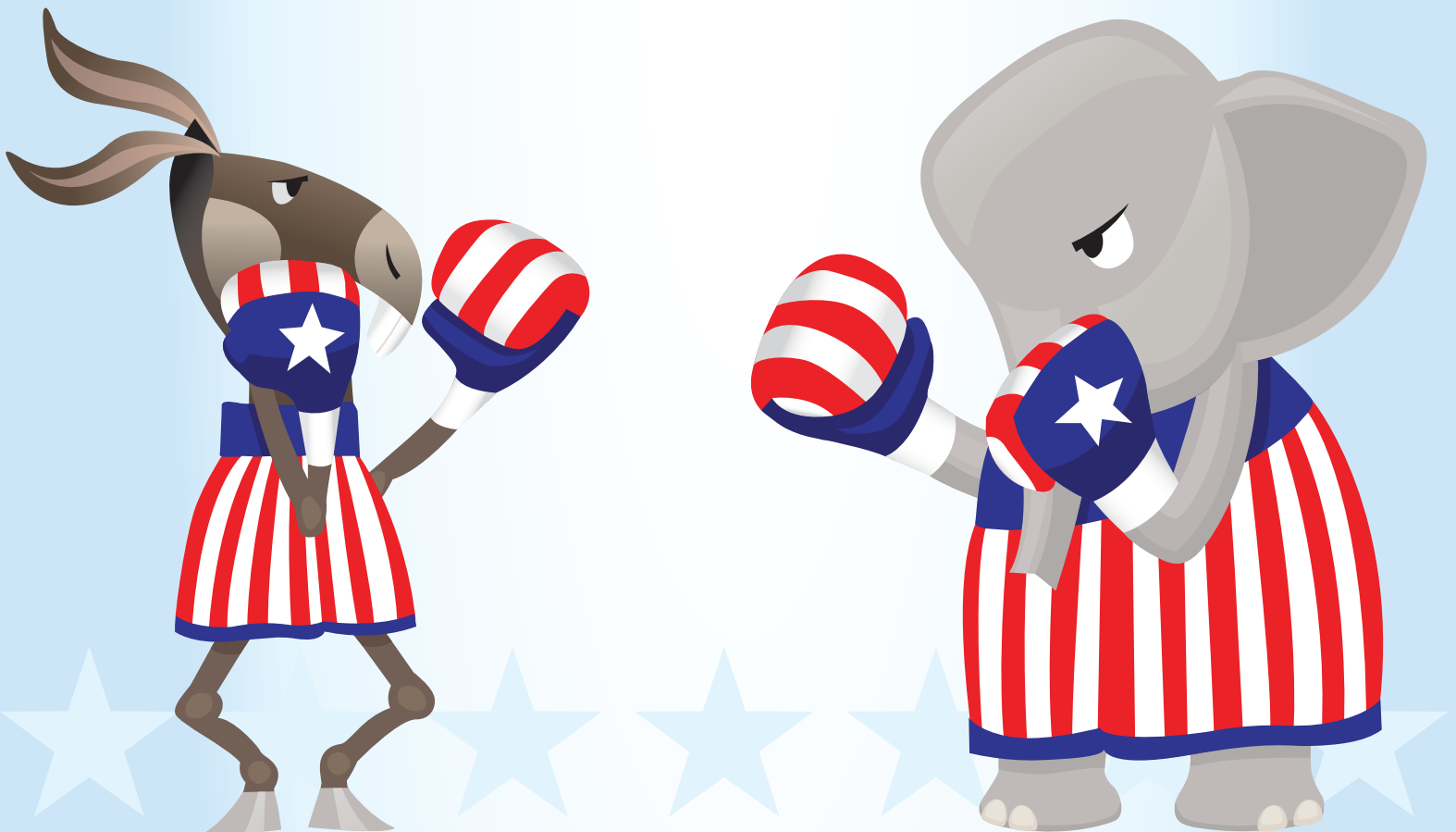
The Hard Work Has Just Begun (p.1)

## CONGRESS AND OSHA

Propose More Burdens for Manufacturers

## REPATRIATE FOREIGN EARNINGS

To Jump Start the Economy



# MEMBER FOCUS

Leading Innovation. Creating Opportunity. Pursuing Progress.

## U.S. MUST MAKE PROGRESS ON TRADE

More Exports Mean More Jobs (p.2)



## NEW CONGRESS

Must Counter the EPA's Overregulation (p.7)



### CONTENTS

- 4 **CAPITAL CONNECTION**  
Lame-Duck Session Is Congress' Last Chance
- 5 **CONGRESS AND OSHA**  
Propose More Burdens for Manufacturers
- 6 **ECONOMIC OUTLOOK**  
Manufacturers' Outlook Unchanged in Third Quarter
- 8 **FOR MANUFACTURERS**  
NAM Files *Amicus* Brief on Card Check Cases at NLRB
- 9 **REPATRIATE FOREIGN EARNINGS**  
To Jump Start the Economy
- 10 **MEMBER FOCUS**  
Leggett & Platt's Initiative to Get Out the Vote

### MEMBER FOCUS

CHAIRMAN	Michael Campbell
VICE CHAIRMAN	Mary Andringa
CHAIRMAN, SMALL AND MEDIUM MANUFACTURERS	Dyke Messinger
PRESIDENT	John Engler
EXECUTIVE VICE PRESIDENT	Jay Timmons
CHIEF OPERATING OFFICER	LeAnne Wilson
SENIOR VICE PRESIDENT, CORPORATE AFFAIRS AND CORPORATE SECRETARY	Dana Lee Cole
SENIOR VICE PRESIDENT, CFO AND TREASURER	Rick Klein
SENIOR VICE PRESIDENT, COMMUNICATIONS	Maureen Davenport
SENIOR VICE PRESIDENT, GOVERNMENT RELATIONS AND POLICY	Aric Newhouse
VICE PRESIDENT, FIELD DIVISION AND BOARD ADVOCACY	Ann E. Heins
VICE PRESIDENT, MEMBERSHIP MARKETING	J. Cliff Johnson, III
SENIOR DIRECTOR, PUBLICATIONS AND MANAGING EDITOR	Clare James Johnson
SENIOR DIRECTOR, BRANDING AND MULTIMEDIA	James Skelly
MANAGER, BRANDING AND MULTIMEDIA	Ronni Hutchason

*Member Focus* is published monthly by the National Association of Manufacturers.

© 2010 NAM. All rights reserved. Reproduction is prohibited except with the written permission of the NAM. Periodicals postage pending at Washington, D.C.

*Postmaster:* Send address changes to NAM Member Focus, attn: Marcie Cox, National Association of Manufacturers, 1331 Pennsylvania Ave., NW, Washington, DC 20004-1790. Phone: (202) 637-3000. Fax: (202) 637-3182. Website: [www.nam.org](http://www.nam.org)

Printed on NewPage Anthem Gloss paper manufactured in North America.



# The Hard Work Has Just Begun

By John Engler, president and CEO, National Association of Manufacturers

For more than a year, Americans have been sending Washington a very clear message—we need jobs! As the recent mid-term elections showed, candidates from across the political spectrum heeded America's call. They campaigned on creating and preserving high-paying manufacturing jobs, and in early November, Americans responded—resulting in victories for pro-manufacturing candidates around the country and changing the makeup of both houses of Congress.

Many incoming members of Congress also supported the National Association of Manufacturers' (NAM) "Manufacturing Strategy for Jobs and a Competitive America." The Strategy sets forth strong goals to make the United States the best country in the world to headquarter a company, the best country to innovate and the best country to serve as an export platform for the world. It also calls for action on critical priorities such as taxes, energy, education, trade, infrastructure and regulation.

Supporting these policies is a good first step, but lawmakers must now seek to implement them through actions and votes. Over the last few years, we have seen policies that make it harder for manufacturers to compete, invest and hire—through imbalanced trade policies, misguided energy policies, oppressive taxes and onerous regulations. With a new majority in the House and a greater influence in the Senate comes the power and responsibility of setting the agenda. This is an opportunity to take the 112th Congress in a new direction.

One of the first issues Congress must address

to create jobs is taxes. Creating tax policies that bring America more closely into alignment with our major manufacturing competitors is critical to alleviating the uncertainty that pervades the business community.

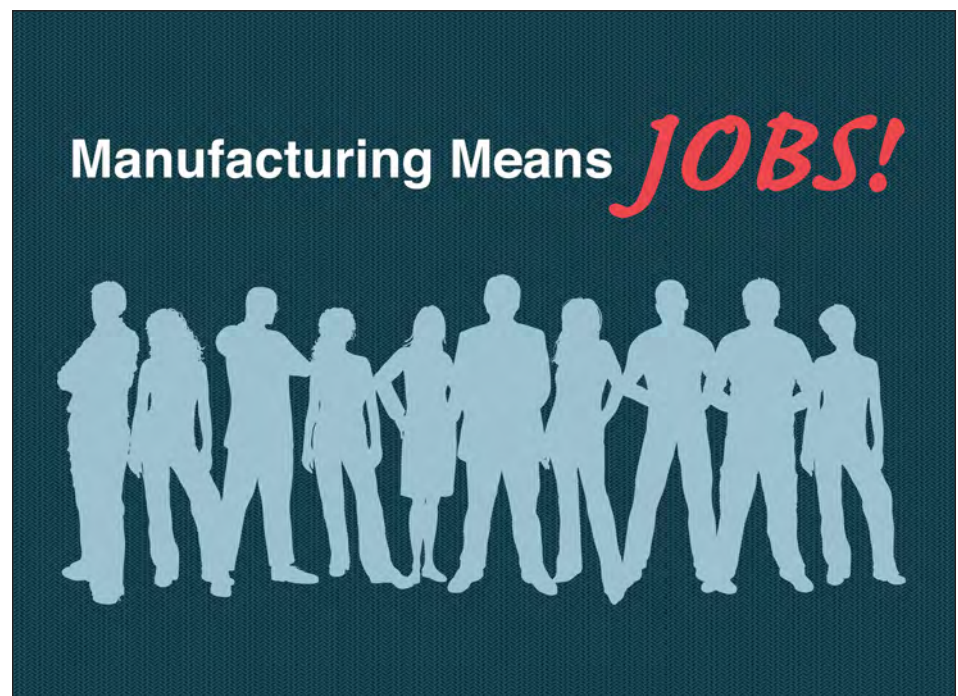
Manufacturers need energy policies that will keep energy prices low in order for them to compete. Congress is considering legislation that would delay the Environmental Protection Agency's (EPA) regulations for two years. This would be a start and would help move consideration of this complex issue back where it belongs—in Congress.

Action on these recommendations would benefit manufacturers, but the benefits grow exponentially when enacted as part of a comprehensive approach to revitalize manufacturing in America in the short term and put us on better footing for long-term prosperity. A fresh approach to labor regulations, immigration reform and STEM

education is essential to the nation's competitiveness.

Trade should be another high priority for the new Congress. We need progress on pending free trade agreements. Opening foreign markets—where 95 percent of the world's consumers are located—will increase export opportunities for manufacturers in America and help create jobs here at home.

Our slow dig out of this recession will be heavier if we do not put the right strategies in place to strengthen the economy. Even before the final votes were counted this election season, it was clear that voters want Congress to act aggressively to support a competitive manufacturing sector in the United States. The NAM stands ready to work with Congress to pursue action on a pro-competitiveness, pro-manufacturing agenda to create jobs and restore our nation's economic vitality. ●



# U.S. Must Make Progress On Trade: More Exports Mean More Jobs



■ NAM President and CEO John Engler addressed the Economic Club of Memphis on October 21, 2010.

This year's mid-term elections demonstrate that the nation is looking for Congress to take decisive action on jobs and the economy. One of the best ways to get the U.S. economy back on track and to boost job growth is for Congress and the Administration to move forward with an international trade policy

that will open foreign markets for manufacturers in the United States and reduce tariff barriers to trade.

Export expansion is a key component of the National Association of Manufacturers' (NAM) "Manufacturing Strategy for Jobs and a Competitive America." Ninety-five percent of the world's consumers are located overseas. Policies that provide U.S. manufac-

turers with greater opportunities to export to these consumers will lead to more high-paying manufacturing jobs at home.

NAM President John Engler, in an address to the Economic Club of Memphis on October 21, applauded the increased emphasis on exports and added that trade is too important to dismiss. Those who advocate against free trade are essentially suggesting

that the United States cannot compete in the global economy. That is simply not true. Manufacturers in America can succeed and compete with their international rivals if Congress and the Administration enact the necessary policies.

The NAM endorses the Administration's goal of doubling exports in five years—which requires that exports grow at an annual rate of 15 percent over that time frame. Data for the last three months, however, show that export growth has fallen to an annual rate of only 5 percent—below the needed growth rate and below the growth rate of imports.

These figures should serve as another reminder to policymakers in Washington of

the critical need to reduce trade barriers and take the steps outlined in the NAM's "Blueprint to Double Exports in Five Years" to help create jobs here at home. The NAM is working with Congress on a range of issues to strengthen America's export intensity—from export controls to export promotion to increasing export opportunities for small and medium-sized manufacturers.

A critical component of this strategy is the need for a change in the U.S. aversion to concluding market-opening bilateral trade agreements. One of the roadblocks to enacting the pending free trade agreements (FTAs)—such as those with South Korea, Colombia and

Panama—is the widespread misconception in Congress and throughout the country that free trade is harmful to manufacturers, businesses and jobs in the United States. However, the evidence shows that manufacturers in the United States benefit from expanded market access through trade agreements.

Cutting tariffs and non-tariff barriers in foreign markets through preferential trade agreements does not reduce or outsource American factory jobs. In fact, it creates more of them. The U.S. market is open, with tariffs averaging 2.5 percent. Most other markets (developing as well as some developed) in the world have tariff and non-tariff barriers that are far higher. When the United States signs an FTA with a country, its barriers come down, and as a result, American exports go up, both in volume and value, and more so than the imports from that country.

Two-thirds of American exports of goods and services are manufactured goods. As these exports increase, the United States boosts manufacturing output, employment and growth here at home. According to Census Bureau data, manufactured goods trade with our FTA partners in 2008 and 2009 produced a surplus of nearly \$50 billion. This means the United States sold its trade agreement partners nearly \$50 billion more in manufactured goods than it bought from them. Yet the United States has not signed an FTA since 2007.

“Two-thirds of American exports of goods and services are manufactured goods.”

Enacting the FTAs with South Korea, Colombia and Panama is essential if the United States is to achieve this goal. Currently, dozens of FTAs are being negotiated around the world by others while the United States sits on the sidelines.

Manufacturers were pleased by the recent announcement by the United States and South Korea of a deal allowing the two countries to move forward with the U.S.-South Korea FTA. This agreement will provide a broad scope of opportunities and generate billions of dollars annually in new U.S. exports to South Korea. Nearly 60 percent of exports expected to go to South Korea will be manufactured goods from a wide range of industrial sectors in every state in America.

U.S. manufacturing exports to South Korea have been in the neighborhood of \$25 billion-\$30 billion annually over the last few years, and South Korea has a manufactured goods import market worth \$250 billion annually. This trade agreement will eliminate tariffs on 95 percent of consumer and industrial products between the two countries within three years. The NAM has been a strong proponent of a trade agreement with South Korea and is committed to working with

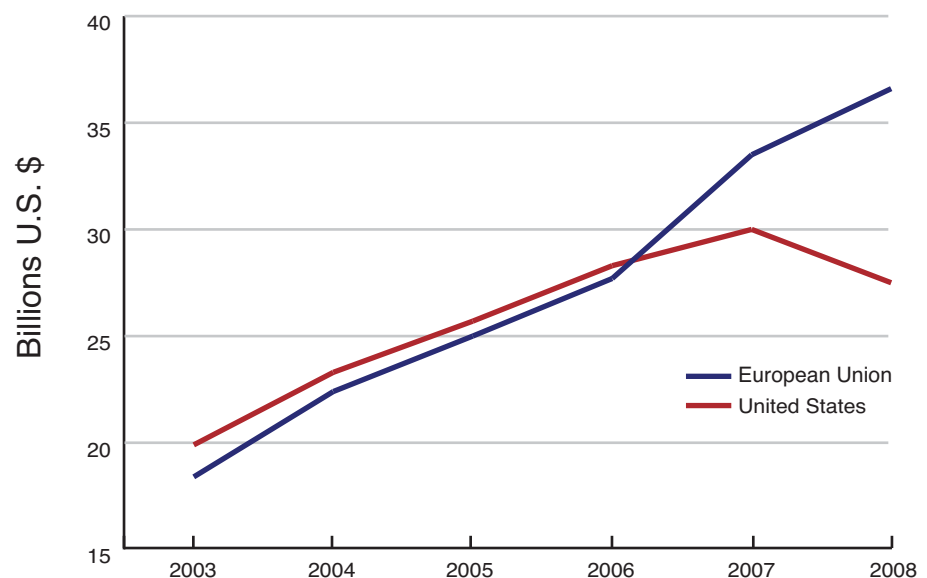
the Administration and Congress to get it approved.

Promising developments have also occurred with the other two nations with which the United States has pending FTAs—Panama and Colombia. The United States and Panama came to a Tax Information Exchange Agreement, which is one of the outstanding issues the Administration indicated needed to be concluded before it would consider moving the U.S.-Panama FTA. This increases the possibility of movement on this agreement in 2011.

In addition, Colombia has been removed from the International Labor Organization's watch list because of widespread improvements its government has made in controlling violence against labor activists. This has been a crucial priority for the Administration and some in Congress.

The new Congress must take immediate positive action on the pending FTAs with South Korea, Colombia and Panama. They are key to reinvigorating a national discussion on why FTAs are good for manufacturing, American workers and the American economy. Manufacturers must urge incoming members of Congress to support policies that will open foreign markets to U.S. businesses. Greater access to consumers overseas will lead to more export opportunities for manufacturers in America. As the demand for their products rises, they will be able to create more jobs in the United States. ●

Korean Imports of Manufactured Goods  
From the U.S. and EU





## Lame-Duck Session Is Congress' Last Chance

**M**embers of the 111th Congress returned to Washington in mid-November for the lame-duck session. This is the last opportunity to pass legislation to strengthen the economy and help businesses begin hiring again—clearly the top priority for voters in the recent mid-term elections—before new members are seated in January.

The most pressing issue for manufacturers has been the extension of the vital tax relief enacted in 2001 and 2003. Following the 2000 recession, these tax cuts helped S-corporations and other small businesses paying taxes at the individual rate recover, resume hiring and reinvest in the people and products these companies needed to grow.

For much of the past year, debate has swirled around whether extending these tax cuts would provide a needed boost to the economy. As they proved earlier this decade, these lower tax rates are not only helpful to small and medium-sized manufacturers, their potential expiration is the number-one cause for uncertainty in the business community. Recent surveys of manufacturers show that the uncertainty caused by policies coming from Washington is causing many businesses to delay or put

off hiring decisions and reduce investments that will make them more competitive.

In addition, the lame-duck session gives Congress its last chance to extend more than 130 important tax incentives that have been ignored this year. These tax provisions, which include the research and development (R&D) tax credit, have broad, bipartisan support, but they expired on December 31, 2009. Failing to extend the provisions will lead to additional job losses and create more uncertainty. At press time, President Obama and congressional Republicans had reached a compromise agreement

domestic companies, worldwide American companies and U.S. subsidiaries of companies headquartered abroad—to offset any temporary or permanent extension of the 2001 and 2003 tax rates.

This would be the wrong message to send to manufacturers and businesses in the United States, particularly in the wake of an election in which voters clearly stated their desire for pro-jobs, pro-manufacturing policies.

The Senate, on the other hand, did take one crucial step in the right direction during the lame-duck session by voting to block consideration of the Paycheck

Fairness Act, which would have altered the Equal Pay Act to allow unlimited punitive and compensatory damages in cases of suspected discrimination.

Unfortunately, the bill would not prevent actual instances of illegal discrimination. Instead, it would have threatened manufacturers' efforts to create and retain jobs by adding uncertainty to almost every pay decision employers make.

For much of the past few years, Congress has not heeded the American people's call for action on legislation that will help revitalize the U.S. economy. As a result, voters held their elected officials accountable on November 2 and reiterated their call for a change of direction. The 111th Congress still has a chance to heed this call before the new Congress is sworn in. It would be wise for them to listen and use the lame-duck session to give their successors a head-start on sparking an economic recovery. ●

“ Lower tax rates are not only helpful to small and medium-sized manufacturers, their potential expiration is the number-one cause for uncertainty in the business community.”

to extend tax relief for small businesses, 100-percent expensing, estate tax reform, preferential tax rates for investment income, the R&D credit and other provisions for two years. The NAM is urging Congress to make this tax relief permanent to encourage investment and long-term growth.

Should Congress take the necessary action on these tax issues, it must not follow with policies that would undermine the positive impact of the tax relief. However, Congress is also considering raising other business taxes—such as those on small businesses,

# Congress and OSHA Propose More Burdens for Manufacturers

On October 19, the Occupational Safety and Health Administration (OSHA) announced its intention to change its official interpretation of workplace noise exposure standards and enforcement. Currently, OSHA regulates the acceptable levels of noise to which employees are exposed in the workplace.

To protect employees against hearing loss, the Agency has maintained a policy that allows employers to provide “personal protective equipment” such as ear plugs and ear muffs as well as engineering controls like noise-dampening equipment and muffling systems to effectively supplement their operating practices. OSHA’s common-sense approach held that it was permissible for employers to adopt these practices when they were effective.

However, OSHA now plans to abandon this practice. In its notice, the Agency announces a goal to require employers to implement all “feasible” controls—citing a 1981 Supreme Court ruling upholding “feasible” to mean “capable of being done”—regardless of the costs or effectiveness of currently-used personal protective equipment. According to the notice, these changes must be adopted regardless of the costs unless an employer can prove that making such changes will “put them out of business” or severely threaten the company’s “viability.” In addition, OSHA failed to provide any policy reasons to justify the changes.

To be clear, this potential change is not a proposed regulation or standard, and it does not lower the threshold for employee noise exposure. However, this proposal is an attempt to change long-held OSHA policy outside of the formal rulemaking process. The Agency has requested public comments on the proposal, and the National Association of Manufacturers (NAM) is working with manufacturers to prepare its response.

If the Agency implements the proposal, employers that have not made every systematic modification “capable of being done” will have to make sweeping changes to their workplaces, including:

- Developing new workplace practices, procedures and work schedules;

- Installing new equipment such as baffles and other sound containment devices; and
- Retrofitting machines and production systems with often expensive noise-dampening controls.

These changes would be required even if effective mechanisms are already in place to protect employees from loud noises. Unfortunately, this proposal will result in new compliance costs which will force manufacturers to divert additional resources away from job creation, investment and expansion.

OSHA has indicated that it intends to enforce this new interpretation by issuing citations for employers found in non-compliance. Unless employers can prove to OSHA inspection officers that the changes will be economically devastating or are impossible to make, businesses will be forced to implement them, which will be particularly costly and burdensome for smaller-sized manufacturers.

While OSHA continues to move in the direction of policies that add burdens to manufacturers, Congress is on a similar trajectory. Congress attempted to advance the Paycheck Fairness Act (S. 3772) during the lame-duck session. Senate Majority Leader Reid (D-NV) filed cloture on the bill in September before adjourning for the recent elections, which set up a procedural vote on the matter. Fortunately, the bill’s supporters were unable to achieve the 60 votes necessary to bring the bill to an up-or-down vote, killing the legislation.

The NAM urged senators to oppose this bill because it would add costs to employers through increased litigation and frivolous class-action suits. The NAM sent a key vote letter to Congress on the issue and worked aggressively through grassroots alerts, media outreach and congressional meetings to emphasize manufacturers’ opposition. Under the guise of creating gender pay equity, the bill would have significantly expanded trial lawyers’ ability to sue manufacturers for legitimate pay practices while doing little to prevent actual illegal acts of pay discrimination. It would have imposed unprecedented government control over how employees are paid. ●





# Manufacturers' Outlook Is Unchanged in the Third Quarter

**A**fter falling to a record low in the first quarter of 2009 and improving over the next five consecutive quarters, the business outlook for manufacturers remained essentially unchanged in the third quarter of 2010 from the previous quarter. The share of respondents to the National Association of Manufacturers (NAM)/*IndustryWeek* Manufacturing Index survey with a positive business outlook edged up to 75 percent in the third quarter from 74 percent in the second quarter. This signals that manufacturers do not expect economic conditions to improve measurably over the coming year compared to their expectations in the second quarter.

When the economy entered recession late in the fourth quarter of 2007, 70 percent of respondents to the NAM/*IndustryWeek* Manufacturing Index had a positive business outlook. By the first quarter of 2009, just 28 percent had a positive outlook. After improving over a year, the share of

survey respondents with a positive outlook returned to 70 percent in the first quarter of 2010 and since then has edged up another 5 percent (*see chart on this page*).

The business outlook in the third quarter of 2010 is considerably brighter compared to 54 percent that had a positive business outlook in the first quarter of 2003—five quarters after the end of the 2001 recession (*see dotted red line in the chart*). This is consistent with the fact that the current manufacturing recovery has been stronger than the initial upturn following the 2001 recession, which was held back by an overvalued dollar and sluggish growth abroad that constrained export growth.

Over the past five quarters, U.S. exports have grown by 15.5 percent—five times faster than the 3.1-percent export increase during the first five quarters of the prior recovery. Accounting for more than one-third of the growth in manufacturing shipments since the end of the recession, the

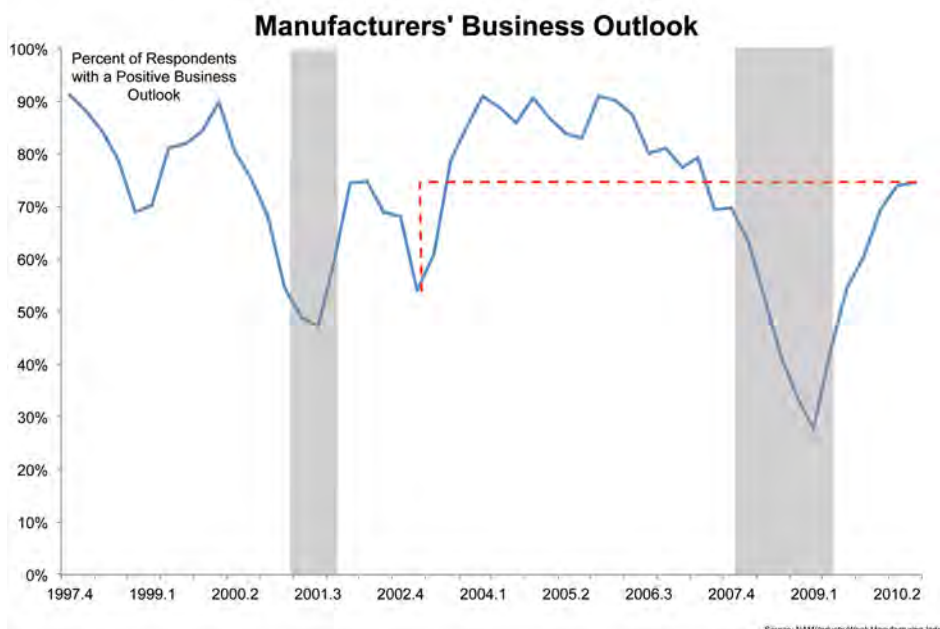
current export rebound is one of the key reasons the current manufacturing recovery has been more than twice as strong as the first five quarters of recovery following the 2001 recession.

However, as the bulk of the inventory rebuild and fiscal stimulus is now in the rearview mirror, and uncertainty with respect to fiscal policy continues, the underlying detail of the third-quarter survey shows mixed results for manufacturers in the year ahead and explains why the level of optimism has flattened.

Third-quarter expectations for the next 12 months show:

- Sales will increase 3.5 percent, slightly faster than the 3.3-percent second-quarter expectation.
- Capital investment will edge up 1.9 percent, slightly faster than the 1.7-percent second-quarter expectation.
- Prices will rise 1.2 percent, slower than the 1.4-percent second-quarter expectation.
- Employment will rise 1.1 percent, slower than the 1.4-percent second-quarter expectation.
- Wages will rise 1.3 percent, slightly slower than the 1.4-percent second-quarter expectation.
- Inventories will fall 0.2 percent, slightly slower than the -0.1-percent second-quarter expectation.

Overall, a moderate recovery is anticipated for the next year. Pricing power will remain limited and employment gains will likely be modest but slightly higher than the 0.8 percent (92,000) gain that took place during the 12 months ending in October 2010. ●



# New Congress Must Counter the EPA's Overregulation



Can the same be said for the 112th Congress? With the new political dynamic in both the House of Representatives and the Senate, manufacturers can expect congressional efforts to counter the EPA's overregulation to pick up. This will be particularly noticeable in the realm of congressional committee oversight, where individual committee chairmen set the tone and determine how aggressively to act as a check on executive authority. The House Energy and Commerce Committee and the Oversight and Government Reform Committee can be expected to hold many additional rigorous oversight hearings about the EPA's overregulation and the cost of some of the proposed regulations.

If legislative efforts to curtail the EPA are unsuccessful in the lame-duck session, some incoming House members are likely to push similar legislation or attach it to an energy bill in the new Congress. However, its prospects for success may be limited because of proponents of the regulations in the Senate and the Administration.

It is clear, though, that these regulations will destroy jobs in the United States and make it more difficult for manufacturers to compete. The EPA's new regulations not only expand the Agency's power but come with no guidance from Congress. The Clean Air Act was never intended to control or regulate greenhouse gas emissions, and the EPA is ill-equipped to carry out this task. According to the EPA's own estimates, these regulations could trigger new permitting requirements on more than 6 million stationary sources.

The NAM is preparing its comments on the EPA's regulatory guidance and will continue to educate members of Congress about the negative impact the proposals will have on manufacturers. Going forward, the NAM will advocate for an energy policy that achieves real environmental results while also fostering continued economic growth—essential conditions for a healthy manufacturing sector in the United States. ●

As the clock approaches midnight for the 111th Congress, time is running out for lawmakers to take action to block the Environmental Protection Agency's (EPA) regulations on greenhouse gases, which will be implemented beginning on January 2, 2011. Manufacturers in the United States are increasingly worried about the regulations. On November 10, the EPA released green-

house gas permitting guidance that, instead of alleviating the business community's concerns, only raised more questions.

While the Agency has requested public comment, the short timeframe before implementation begins will only hinder stakeholders' ability to provide robust feedback. It is also questionable whether the state agencies have the resources or the capacity to expeditiously issue new permits. Manufacturers cannot afford additional permitting delays that will hinder decision-making and certainty for their business.

As one of the most critical issues facing America's manufacturing community, manufacturers are looking to Congress to take

action to block these burdensome and unnecessary regulations. The 111th Congress blocked a resolution by Sen. Murkowski (R-AK) that would have prohibited the EPA from using the Clean Air Act to regulate greenhouse gases from stationary sources.

In addition, Sen. Rockefeller (D-WV) is seeking a Senate vote during the lame-duck session on his bill that would impose a two-year delay on EPA rules for stationary sources. In the House, Rep. Rahall (D-WV) has floated a companion plan, which is co-sponsored by Rep. Boucher (D-VA). However, it is unlikely that congressional efforts to block or delay the EPA's regulations will be successful in the lame-duck session.

Photo: Baldor



A Manufacturing Blog

Nov  
23

## The Realities of Tax Increases on Small Business, Manufacturers

Posted by: Carter Wood under Small Business, Taxation on November 16, 2010 @ 9:42 am

The populist talking points keep repeating themselves: No tax cuts for “the wealthy.”

The reality is that allowing the current tax rates to return to their pre-2001 levels will mean a major tax increase on many small businesses and manufacturers. From our ManuFacts sheet on the tax rates:

- About 73 percent of all manufacturers are organized as S-corporations or other entities taxed at the individual rate.
- Small and medium-sized manufacturers employ more than 9 million workers. Since 2007, these companies have lost more than 850,000 jobs – 42 percent of the total jobs lost in the goods-producing sector.
- The Administration’s proposed 2010 budget blueprint would increase individual tax rates to nearly 40 percent.
- Increasing taxes would deal a painful blow to small businesses recovering from the economic downturn and facing higher energy costs.
- Manufacturers will lose an additional 238,000 jobs by 2019 if these tax increases are enacted, according to the NAM’s economic models.
- In a March 2010 survey of small and medium-sized manufacturing firms, 86 percent said they were concerned about the expiring tax rates – of those, 62 percent said they were very concerned.

As for taxes generally and business taxes especially, here’s a letter the National Association of Manufacturers and other major business trade associations sent to Sen. Max Baucus (D-MT), chairman of the Senate Finance Committee, on Friday, Nov. 12. Excerpt:

*During this time of widespread economic uncertainty, proposals to increase taxes on U.S. companies—including small businesses, domestic companies, worldwide American companies and U.S. subsidiaries of companies headquartered abroad—could have significant negative repercussions for the struggling American economy. Given the urgent need for new private sector jobs, adding to the tax burden would only undermine vital economic recovery efforts now under way throughout the country.*

## Future House Speaker Boehner Retweets NAM on Taxes

Presumptive Speaker of the House John Boehner (R-OH) took to Twitter on November 16 to spread the word about the NAM’s Shopfloor blog post on tax increases. Rep. Boehner has more than 70,000 followers on Twitter.

To learn more about the NAM’s activities and receive news as it happens, visit the NAM Twitter page at [twitter.com/ShopfloorNAM](http://twitter.com/ShopfloorNAM).

# 15,852

NAM Election Center received 15,852 page views in the two weeks leading up to the 2010 mid-term elections.

## Manufacturers in the Courts

### NAM Files *Amicus* Brief on Card Check Cases at NLRB

On November 1, the National Association of Manufacturers (NAM) filed an *amicus* brief on behalf of 42 manufacturing organizations with the National Labor Relations Board (NLRB) in response to the Board’s request for advice on a pending case. The case in question will review whether employees should have 45 days after their employer recognizes a union based on card-check authorizations to file a petition to decertify the union or to support an election petition from another union. Our *amicus* brief argues that this important 45-day window should not be eliminated. The NAM’s brief stresses that individual free choice regarding whether to be represented at all by a third party is a necessary precondition to any collective negotiation and that card-check union certification is far inferior to a secret ballot election. To access this legal brief and a summary, please visit [lawcenter.nam.org](http://lawcenter.nam.org).



# Repatriate Foreign Earnings to Jump Start the Economy

While the 2010 elections were marked by victories for pro-manufacturing candidates around the country, the business community received unwelcome, though not surprising, news a few days later with new jobs numbers showing that unemployment remains at the stubbornly-high rate of 9.6 percent. America's unemployment rate has been above 9 percent since May 2009,

the longest period of sustained unemployment above 9 percent since records have been kept.

This is just one indicator of an economy still struggling to emerge from the recession and in need of a spark to alleviate uncertainty and get back on the path toward growth. The new Congress, if it enacts the right policies, can provide that spark. The best way to do so would be to extend the 2001 and 2003 low tax rates on individual and business income and improve the tax treatment of income earned overseas by U.S. companies.

One way to help spur our nation's economic recovery is to lower the tax rate companies pay when they bring back overseas earnings. Under current tax policy, U.S. companies could pay almost 40 cents in taxes for every dollar of overseas earnings they decide to "repatriate" back home. Allowing companies to repatriate money earned abroad to the U.S. at a lower tax rate could spur the economy by providing businesses with an influx of cash they could invest in their companies. In 2004, Congress used the Homeland Investment Act to temporarily slash the 35 percent corporate tax rate to 5.25 percent on foreign profits returned to the U.S. to spur investment. This opportunity to reinvest back in the United States brought some \$366 billion back to the United States, generating needed economic growth—and additional revenues for the Treasury.

Business leaders are now urging Congress to consider a similar move. "The business community is looking at ways to jumpstart the economic recovery, and repatriation is one thing you could do without increasing the deficit," said Dorothy Coleman, vice president of tax and domestic economic



policy for the National Association of Manufacturers (NAM).

The United States differs from most other industrialized countries in that it taxes profits earned by U.S. companies on a worldwide basis, while most of our competitors only tax income earned within their borders. In order to level the playing field, the federal tax code defers imposing the U.S. tax on overseas profits until the company brings them back into the United States.

Lowering the "toll charge" for U.S. companies to bring back earnings from overseas could inject as much as \$1 trillion into the U.S. economy. The added cash can be used to build new plants, purchase new equipment or invest in research and development—all activities that support needed job retention

and creation. Even if companies simply return the capital to shareholders, there will be a positive outcome, as they will either spend the cash or reinvest it.

Unfortunately, this idea did not gain much traction in the 111th Congress. It was up for consideration in the Senate during the 2009 debate on the stimulus bill but failed in a floor vote. When the 112th Congress convenes in January, the NAM will encourage new members to consider this proposal to help get America's economy back on track. Reforms of the U.S. tax system—such as repatriation—that allow U.S.-based companies to be more competitive in foreign markets and expand globally are good for U.S. jobs and the U.S. economy. ●



# Leggett & Platt's Initiative To Get Out The Vote

Steven Rhodes is director of economic development and government affairs for Leggett & Platt Incorporated. Leggett & Platt manufactures a broad spectrum of engineered components and products for customers around the world. Mr. Rhodes recently spoke with *Member Focus* about the company's "Get Out the Vote" and employee engagement efforts for the 2010 mid-term elections.

**Member Focus (MF):** Why did Leggett & Platt embark on this Get Out the Vote (GOTV) initiative?

**Steven Rhodes (SR):** We learned that other NAM members were using GOTV programs to reach out to their employees at the grass-roots level. We built on the experiences of some of these companies to craft our own employee civic involvement/GOTV plan, customized to Leggett's organizational and operational attributes. If we had not learned about the practices and experiences of other NAM members, we would not have been able to design and implement our program in advance of the 2010 mid-term election cycle. For us, the 2010 GOTV effort was a learning experience to help us prepare for 2012.

**MF:** What kinds of materials did you put together to educate your employees and encourage them to vote?

**SR:** Leggett's GOTV campaign moved from proposal to reality in about two and a half weeks during October. The implementation team was a group of about 20 dedicated and committed employee partners in the corporate creative services, information technology (IT), human resources and legal departments.

With the enthusiastic support of senior management, the creative services and IT teams developed electronic and printed materials for our GOTV initiative. We had an Internet, e-mail and video package accompanied by wall posters, table tents and "take one" slips for workplace lunch and meeting rooms. The printed materials were distributed to all U.S. operations with 20 or more employees—about 75 locations in all. A short video invitation also was sent to employee partners with e-mail addresses. In the short video, Karl Glassman, Leggett's chief operating officer, invited staff to visit the NAM's Prosperity Project and Election Center websites. The e-mail invitation took visitors to a letter signed by CEO David Haffner and Karl Glassman explaining the importance of participating in the public policy-making process and voting. In his "e-blast" video, Karl explained the value NAM membership already had brought to Leggett. This was not just about an election cycle; our GOTV campaign also represented an enthusiastic introduction of Leggett's NAM membership to all employee partners.

Following Election Day, we sent another e-blast inviting employee partners to utilize the NAM's Election Center website for timely post-election information.

**MF:** How effective were your efforts?

**SR:** Because this was our first attempt at a GOTV campaign, we were very gratified with the results of our internal outreach—or "inreach." The employee partners' response rate to the e-blast invitations to view the video and the NAM websites was significant, especially given the fact that our electronic and printed materials only began reaching employee partners two weeks in advance of Election Day.

**MF:** What kind of feedback did you receive from your employees?

**SR:** The digital and printed campaign materials were very well received. If the enthusiasm and commitment of the GOTV design and implementation team is any indicator of how employee partners responded throughout the country, our first effort at a corporate-wide GOTV program was definitely a success.

**MF:** Do you have plans to build on this effort for the upcoming 2012 elections?

**DM:** We do. We have identified some improvements we can make for the 2012 cycle, and we intend to enhance and revise some particulars. We already have established a planning/implementation calendar for 2012, and we will create a small GOTV planning group that will become active in early 2011. Our goal is to launch our 2012 election cycle GOTV communications with employee partners in late 2011, well before the presidential primary/caucus season commences in early 2012. ●

## Congressmen Receive NAM Award for Supporting Pro-Manufacturing Agenda

Members of Congress who consistently supported the manufacturing community during the 111th Congress (2009-2010) and maintained a voting record of 70 percent or higher receive the *NAM Award for Manufacturing Legislative Excellence*. This year, 221 members of Congress were honored for their support of manufacturers and their employees across the United States. Many legislators were presented with their awards at events sponsored by NAM member companies. ●



■ Congressman Paul Ryan (R-WI) received the *NAM Award for Manufacturing Legislative Excellence* from Modine Manufacturing Company President and CEO Thomas Burke at the company's headquarters in Racine, Wis.



■ Rep. Pete Olson (R-TX) received the *NAM Award for Manufacturing Legislative Excellence* from Jason Blake, senior director of manufacturing operations for the Schwan Food Company's Global Supply Chain.



Photo: Dynamic Materials Corporation

### COOL STUFF BEING MADE

Based in Boulder, Co., Dynamic Materials Corporation is the world's leading provider of explosion-welded clad metal plates. In the late 1960s, Dynamic Materials started an explosion metal forming business that shaped blank sheets of metal alloys into complex three-dimensional parts for aerospace equipment manufacturers. Today, its products are typically used in industrial capital projects in a variety of industries, including oil and gas, petrochemicals, alternative energy, hydrometallurgy, aluminum production, shipbuilding, power generation and industrial refrigeration, among others.

In this month's "Cool Stuff Being Made," we get a sneak peek at Dynamic Materials' explosion welding process, the only welding method capable of joining nearly every kind of metal combination, regardless of the type or composition. Watch how the intense force of these high-powered explosions almost seamlessly welds large metal plates together. Fire in the hole! To view the video, visit [www.nam.org/CoolStuffBeingMade](http://www.nam.org/CoolStuffBeingMade).

Cool Stuff Being Made takes you inside the plants, factories and facilities of manufacturers producing high-quality goods right here in America. Want your manufacturing facility featured on the NAM's YouTube page? Send us your "Cool Stuff Being Made" video. It should include a tour of your manufacturing process, run less than 10 minutes and include voice narration. For more information, please e-mail [mpreiss@nam.org](mailto:mpreiss@nam.org).

# What the Elections Mean for Manufacturers

On November 3, the National Association of Manufacturers (NAM) held a Post-Election Briefing to discuss the implications of the mid-term elections for the manufacturing community, jobs and the economy. NAM President John Engler and NAM Executive Vice President Jay Timmons joined Jim Ellis of the PRISM Information Network to provide insight and analysis of the 2010 election results and to discuss strategies to advance a pro-manufacturing agenda in the 112th Congress.



■ **Photos:** NAM Executive Vice President Jay Timmons discusses the 2010 election results in Washington.

## Upcoming Events

### 2011 Annual Public Affairs Conference

Sunday, April 3, 2011–  
Tuesday, April 5, 2011  
Red Rock Casino and Spa  
11011 West Charleston Boulevard  
Las Vegas, Nev.  
Contact: Candice Daniels  
(202) 637-3122  
cdaniels@nam.org

### National Manufacturing Summit 2011

Wednesday, June 15, 2011–  
Thursday, June 16, 2011  
Hyatt Regency Capitol Hill  
400 New Jersey Avenue, NW  
Washington, D.C.  
Contact: Dana Hartwig  
(202) 637-3116  
dhartwig@nam.org

## Tell Us What You Think

Send us your feedback, ideas and insights on manufacturing or the new *Member Focus*. Please e-mail Clare James Johnson, managing editor, at [cjohnson@nam.org](mailto:cjohnson@nam.org).



## Connect With Us



# GET UP TO 25% SAVINGS PLUS \$25 OFF



Enroll in the NAM Avis Car Rental Program and receive **up to 25% off** rentals when you reserve with Avis. You'll also receive **\$25 off a weekly rental** with coupon # **MUGA258**. Enjoy premium service with Avis.

Enroll at [nam.org/carrental](http://nam.org/carrental). Visit [avis.com/nam](http://avis.com/nam) for reservations and full coupon Terms and Conditions.



Avis features GM vehicles.

©2010 Avis Rent A Car System, LLC

19195-02

# NAM members save up to 20% and get a FREE Sunday!



Enroll in the NAM Budget Car Rental Program and get **up to 20% off** rentals when you use Budget. And that's just the beginning—you'll also receive a **FREE Sunday rental** with coupon # **TUFZ007**.

Enroll at [nam.org/carrental](http://nam.org/carrental). Visit [budget.com/nam](http://budget.com/nam) for reservations and full coupon Terms and Conditions.



Budget features Ford and Lincoln Mercury vehicles.

©2010 Budget Rent A Car System, Inc. A global system of corporate and licenq'wsee-owned locations.

19195-02

# ANNOUNCING THE NAM BUYER'S GUIDE



*Your global connection to decision-makers in the manufacturing industry.*

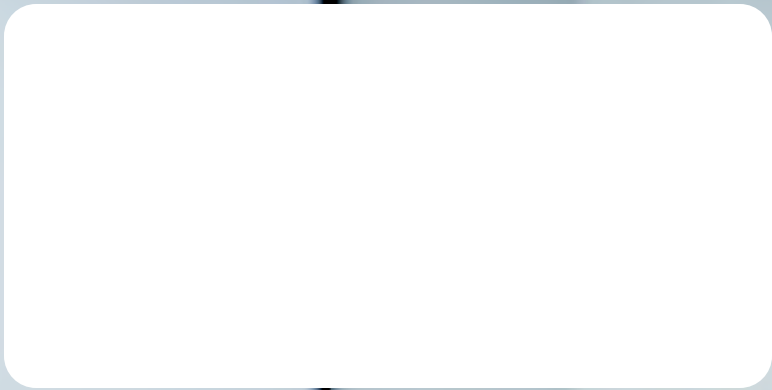
The NAM is excited to announce our newly redesigned online Buyer's Guide – a new membership benefit that will allow your company to get in front of NAM members and world buyers. The NAM online Buyer's Guide is a current, easy-to-use directory of suppliers and service providers within the manufacturing industry.

As a member, your listing on the NAM Buyer's Guide is included with your membership! Opportunities to upgrade your listing to a Premium listing, as well as advertising space reservations, are also available.

View the NAM Buyer's Guide online at:  
**[www.nambuyersguide.com](http://www.nambuyersguide.com)**



For more information, contact **Dave Evans** at Naylor, LLC  
(770) 576-2610 or [devans@naylor.com](mailto:devans@naylor.com).



## **DID YOU KNOW?**

Manufacturers Perform 50%  
of the R&D in the United States



NATIONAL ASSOCIATION OF  
**Manufacturers**

*Leading Innovation. Creating Opportunity. Pursuing Progress.*

[www.nam.org](http://www.nam.org)