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May 2011
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MANUFACTURERS LAUNCH “NO NEW REGS” CAMPAIGN

NAM PUSHES FOR
CORPORATE TAX CUTS

NAM VICE CHAIR TELLS
CONGRESS: PASS PANAMA FTA



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An Army Can Make a Difference

By Jay Timmons, president and CEO, National Association of Manufacturers

I have referenced my grandfather many times and the major influence he had on my life. This month is particularly important to me because Harry Timmons would have turned 100 years old on May 30.

Armed with only an eighth-grade education, Harry dropped out of school and farmed full time to help support the family. When he met my grandmother five years later, he wanted to build a better future for his own family, for his community and for America. He had a vision for how manufacturing would change his life for the next 40 years.

The National Association of Manufacturers (NAM) shares the vision embodied by my grandfather and by so many other Americans throughout the century since his birth. The NAM has a well-earned reputation for being an effective member-driven organization. Our broad and deep membership represents every industrial sector and has a presence in every state in the country—as well as around the world. The policies we fight for on Capitol Hill and within the Administration are the policies that you, and our other members, tell us are critical to your growth and competitiveness.

This means that when NAM staff and leadership weigh in on an issue, we have the full power of the manufacturing economy behind us. That power has enabled us to build important relationships with key members of the new House leadership, with legislators in Congress and within the

Administration. It means we are often called upon for input during policy and regulatory debates. Policymakers want to know how their decisions will affect manufacturers' bottom line and what they mean for jobs in their states and districts.

Together, we can celebrate many advocacy successes: repeal of the onerous 1099 reporting provision in the health care law, the Occupational Safety and Health Administration's (OSHA) pullback on proposed noise and reporting regulations, and the significant progress on pending free trade agreements, to name just a few from this year alone.

However, I am also struck by how we are still fighting many of the

“ We must educate those on Capitol Hill about the vital role of manufacturing in our nation's economy.”

same battles we have fought in the past—from the rising costs of doing business in the United States to increasingly tough regulatory mandates to questions about energy and labor regulations. We cannot be satisfied with the status quo because the status quo is making America less competitive with the rest of the world. We must work hard to achieve change.

The NAM's Affordable Energy Campaign seeks to reach this goal by reining in the Environmental Protection Agency's (EPA) aggressive regulatory agenda, and our efforts so far have garnered national attention in the media and with policymakers. Aware-

ness of the challenges to job creation and competitiveness is increasing.

But our work is never done. That is why it is so critical for all manufacturers to get involved and communicate the realities of how federal policies impact your ability to create and retain manufacturing jobs. The White House, Capitol Hill, governors' offices and local governments are all recognizing the economic power of manufacturing. As we are the drivers of the manufacturing economy, the timing is perfect for us to advance our manufacturing strategy for jobs and economic growth.

We need you to take an active role on Capitol Hill to promote policies and regulations that support and sustain manufacturing in the United States at the NAM's third annual *Manufacturing Summit*, June 15-16 in Washington, D.C. This event is our moment to meet with members of Congress and share our manufacturing story. We must educate those on Capitol Hill about the vital role of manufacturing in our nation's economy and the impacts of their actions on manufacturers' ability to create jobs.

To achieve our goals, we need NAM members of all sizes and in all industry sectors to be involved. We are counting on you to support our advocacy efforts and join our campaign to help everyone understand that Manufacturing Means Jobs!

I'll be there to tell the story of my grandfather and how manufacturing changed my family's path for the better. Please come tell your story, and the stories of those with whom you work. Collectively, ours is the story of America's strength and leadership. Congress needs to hear it. ●

Manufacturers' Campaign Against Overregulation Gains Attention



As the Environmental Protection Agency (EPA) continues its drive to enact a burdensome agenda of growth-stifling regulations, pushback is building and Congress is taking steps to try to limit the EPA's overreaching approach. The National Association of

Manufacturers (NAM) launched its multi-state, multi-million-dollar Affordable Energy Campaign on March 28 to oppose the EPA's aggressive regulatory agenda. The initiative calls on Congress and the Administration to carefully consider the severe economic impact of the EPA's job-killing regulations on energy prices and on businesses and families across country. It included a series of television and radio ads that ask the following question, "Manufacturing has always provided good jobs that support our local economies. But times are tough. So why is the EPA pushing new regulations that could force businesses to

close, making times tougher, increasing costs and prices for goods and services?"

As NAM President and CEO Jay Timmons wrote in *The Hill* newspaper's Congress Blog, "Manufacturers have been proved a bright spot during the U.S. recovery, making new investments, hiring thousands of employees every week, and exporting more than other sectors of the economy. Yet uncertainty compels the companies to practice caution, holding off investments until it's clear just how much control over the economy the EPA will wield."

Manufacturers already have invested billions of dollars to comply with federal

regulations and to support common-sense approaches to ensure a clean and healthy environment. In addition to the EPA's greenhouse gas regulations, the agency also is rolling out dozens of additional mandates that affect mining, transportation, farming and manufacturing and that make it tougher for businesses in America to compete in the global marketplace. Two examples are the aggressive Boiler MACT rule and stricter ozone air quality standards. These come at the same time as a recent EPA report showing a 6.1 percent decrease in overall emissions from the previous year. Furthermore, the EPA report states that in 2009, manufacturers generated just 4 percent of total U.S. greenhouse gas emissions.

The NAM's television and radio ads, which aired in Arkansas, Maine, Michigan, Missouri, Ohio, Pennsylvania, Louisiana, Nebraska and West Virginia and garnered national press attention, aimed to educate

policymakers and the public about the harmful economic impact of overregulation on manufacturers and to commend senators who voted to protect manufacturing jobs in April. The two recent votes in Congress indicate growing support for halting the EPA's regulation of greenhouse gases.

The House voted 255-172 to pass H.R. 910, the Energy Tax Prevention Act of 2011, to block the EPA's greenhouse gas regulations. The legislation was supported by 19 Democrats.

Rep. Dennis Cardoza (D-CA) told Capitol Hill newspaper *Politico* last month that the growing opinion among Democrats is that EPA is becoming a "rogue agency," adding that the White House needs to take action to curb the agency's power. "I think the President's out of step on this one, and he's going to have to get his agency under control," he said.

"While unemployment has edged down slightly, Americans still desperately need jobs," said Timmons. "The bipartisan vote in the House of Representatives demonstrates that our nation's lawmakers understand this and are willing to stand against EPA regulations that would prevent job creation and economic growth.

"The Energy Tax Prevention Act will help create the climate necessary for future investment, innovation and expansion. This legislation also takes steps to provide some clarity in the regulatory process, which will help drive manufacturers' ability to create jobs and increase our global competitiveness."

In the Senate one day earlier, the vote was 50-50 on an amendment that would have also blocked the EPA's authority to regulate greenhouse gas emissions. The NAM supported the measure, proposed by Republican Leader Mitch McConnell (R-KY) as an amendment to the Small Business Innovation Research and Small Business Technology Transfer Reauthorization Act of 2011 (S. 493). The McConnell amendment's 50 votes reflected the bipartisan support, but fell short of the necessary 60 votes. Democratic Sens. Mark Pryor (AR), Mary Landrieu (LA), Ben Nelson (NE) and Joe Manchin (WV) supported the measure.

"The vote on Senator McConnell's amendment demonstrates that senators on both sides of the aisle understand the serious consequences of regulating greenhouse gas emissions to the economy and job creation," said Timmons.

Sen. Manchin agreed, telling West Virginia's MetroNews radio, "I just believe that the EPA has totally overstepped its boundaries. It was never an agency put in a position to create public policy that's going to affect us and change our way of life, I truly believe."

In addition, the Senate voted against three other amendments addressing greenhouse gas regulations, authored by Sens. John Rockefeller (D-WV), Max Baucus (D-MT) and Debbie Stabenow (D-MI).

The Baucus amendment would have limited the application of greenhouse gas permitting requirements to sources that emit more than 75,000 tons of emissions and also exempted certain agricultural activities from regulation. The amendment would have still allowed larger manufacturers to be subject to direct regulation, meaning higher energy costs for all manufacturers. It was defeated 7-93.

The Rockefeller amendment was rejected 12-88. It would have delayed the EPA regulation of stationary sources for two years from the date of enactment; however, the amendment only covered two greenhouse gases—carbon dioxide and methane. In addition, the NAM had concerns that the amendment would not apply to state implementation of the regulations now that greenhouse gas emissions are officially regulated by the EPA.

Sen. Stabenow's amendment was rejected 7-93 and was a combination of the Rockefeller and Baucus approaches. It would have delayed the EPA's regulation of stationary

sources for two years, exempted agricultural facilities from regulation, prevented any future California waivers for tailpipe greenhouse gas emissions and extended the 48C Advanced Energy Manufacturing Tax Credit. However, the EPA could still develop regulations and issue guidance during the two-year suspension of the regulations. These regulations would then become effective at the end of this two-year period.

While the NAM appreciated the efforts of Sens. Baucus, Rockefeller and Stabenow, their amendments did not solve many problems associated with the EPA's regulations and provided little regulatory certainty for job creators. However, it is noteworthy that all three amendments gained support from Democrats, including Max Baucus, Amy Klobuchar (MN), Sherrod Brown (OH), Bob Casey (PA) and Carl Levin (MI).

Votes on McConnell's amendment and H.R. 910 were designated as NAM key manufacturing votes for the 112th Congress. Approximately 3,000 NAM members reached out to lawmakers to express opposition to the EPA's regulations and urge them to support the amendment as an important first step in the battle against misguided and costly regulations that stifle economic growth and hinder competition and innovation. As debate on the issue continues, the NAM will increase pressure on the EPA and build on the overregulation campaign to support manufacturers and the U.S. manufacturing economy. ●



■ **MeadWestvaco Vice President for Safety, Health and Environment Dirk J. Krouskop** testified at a House Subcommittee on Energy and Power hearing, "Recent EPA Rulemakings Relating to Boilers, Cement Manufacturing Plants, and Utilities."



NAM's Annual Public Affairs Conference: We're All "In"

By Kelly Johnston, vice president, government affairs, Campbell Soup Company and chair, National Association of Manufacturers National Public Affairs Steering Committee

On April 3, I had the pleasure of attending the National Association of Manufacturers (NAM) Annual Public Affairs Conference in Las Vegas, Nev.

I attended the conference in my role as chair of the NAM's National Public Affairs Steering Committee (NPASC), which has been a truly rewarding opportunity to encourage members to become more involved in the NAM's pro-growth, pro-manufacturing advocacy efforts.

If there was a theme to the Public Affairs Conference (and there was: "Are You In Or Out?"), it was the recognition that we all need to step up our engagement efforts with elected officials who represent our employees and manufacturing locations—even senior officials from regulatory agencies. After all, nearly one-quarter of the 112th Congress is newly elected. I challenged all attendees to make sure a member of Congress visits their manufacturing facility, especially to tour the shop floor.

The centerpoint of the conference was NAM Board Chair Mary Andringa's and NAM President and CEO Jay Timmons' insightful action plan for the future. It consists of three main goals:

First, to create jobs and boost competitiveness, manufacturers must develop a robust "Manufacturing Means Jobs" platform to serve as the foundation for educational activities and messaging.

Second, we must increase member involvement in Washington, on Capitol Hill and throughout the United States.

Third, we must increase the public's aware-

ness of manufacturing to improve the overall perception of the industry.

The informative conference speakers provided important context for these goals. Noted political pollster John Zogby of IBOPE Zogby International shared his insights on issues shaping the current political agenda as we look ahead to the 2012 elections. Zogby discussed how and why the American dream is changing and examined who we are as a country and what we think.

Nevada Secretary of State Ross Miller talked with conference participants about state and local governments' influence in shaping a pro-manufacturing agenda.

Perhaps most critical of all were the employee engagement sessions—small roundtable discussions that allowed attendees to share and brainstorm about their companies' successful efforts to educate their employees on important policy issues.

From Congressional Dialogue programs to presentations of the *NAM Award for Manufacturing Legislative Excellence* and beyond, it is vital for manufacturers to be part of the effort. While we still have a lot of work to do to educate and inform members of Congress and the general public, the NAM is committed to providing the roadmap necessary to create jobs and compete globally.

As we closed the conference, many of my colleagues commented on the participants' high level of engagement in every session. Attendance at this year's conference was up over last year's, again demonstrating that when it comes to influencing public policy, we're all "in."

I encourage you to mark your calendar for next year's conference! The 2012 NAM Public Affairs Conference will be held April 1-3 at the Fairmont Turnberry Isle Resort and Club in Aventura, Fla. I will see you there! •

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PUBLIC AFFAIRS CONFERENCE:
**MANUFACTURERS:
ARE YOU IN OR OUT?**

NATIONAL ASSOCIATION OF
Manufacturers

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As Other Countries Lower Their Corporate Tax Rates, United States Falls Behind

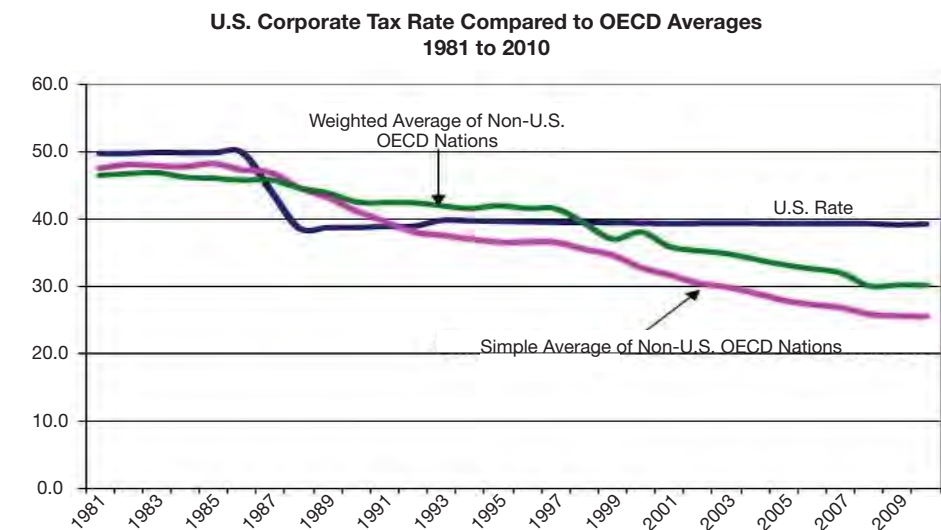
While other developed nations have significantly lowered their corporate tax rates over the last 20 years, the U.S. corporate tax rate has remained the same—35 percent. We have fallen behind by standing still. Now that Japan has enacted a corporate rate reduction, the United States has the highest corporate tax rate in the world.

In an extremely competitive and economically fragile global marketplace, high corporate tax rates put U.S. companies at a significant disadvantage. They also stifle job creation by making the United States a less attractive and costly option for global companies with a variety of choices as to where to locate production facilities. Lowering the tax rate would provide manufacturers with more resources to expand operations and create jobs. Ensuring predictability and consistency in the tax code would allow for the long-term planning and investments that enable us to stay competitive.

The National Association of Manufacturers' (NAM) "Manufacturing Strategy for Jobs and a Competitive America" calls for a corporate tax rate of 25 percent or lower and a permanent, strengthened research and development (R&D) credit. Reducing the U.S. corporate income tax to match the average of other industrial countries (OECD nations) would trigger new growth. By 2019, it could boost real GDP by \$375.5 billion and create an additional 350,000 manufacturing jobs—increasing total employment by 2.1 million. A permanent R&D tax credit, increased by 25 percent, could boost real GDP by \$206 billion and generate 316,000 manufacturing jobs.

These ideas appear to be gaining traction both on Capitol Hill and within the Administration.

The Obama Administration has made corporate tax reform a top legislative priority for 2011 and is reportedly developing a comprehensive proposal in an effort to jumpstart the legislative process in Congress.



Source: Tax Foundation calculations based on OECD and IMF data

In January, Treasury Secretary Timothy Geithner met with chief financial officers of several major U.S. companies—including many NAM member companies—to brainstorm some ideas for reforming and cutting corporate taxes to level the playing field for U.S. businesses. Geithner has indicated that the White House wants any changes to be revenue-neutral and focused on increasing domestic investment, acknowledging that high U.S. tax rates can influence corporate decisions about where to invest. He also has stated that the Administration wants a “pro-investment, pro-growth, pro-competitiveness proposal.”

Unfortunately, the Administration's desire to make the proposal revenue-neutral is leading to a focus on eliminating “special interest loopholes.” In addition, the President's fiscal year 2012 budget proposal released in February includes some \$357 billion in

revenue raisers, many of which would impact manufacturers. According to NAM Vice President for Tax and Domestic Economic Policy Dorothy Coleman, these moves are directly at odds with the chief reasons for undertaking corporate tax reform in the first place—increasing growth, investment and jobs. They also pit business against business and industry sector against industry sector and amount to job-destroying tax increases.

“We anticipate and welcome a robust and critical discussion this year on corporate tax reform. We will work to ensure that any changes benefit manufacturers in the United States,” said Coleman.

The U.S. economy is slowly beginning to add jobs, but many economies in other countries are growing much faster. We must lower our corporate tax rate to remain competitive. ●

with **Thomas J. Duesterberg**, senior advisor and former president and CEO, Manufacturers Alliance/MAPI



Manufacturing Leads the U.S. Recovery

After experiencing its sharpest decline since the Great Depression, manufacturing is leading the U.S. recovery. Although manufacturing has regained only about half the output level lost between 2007 and 2009, it is poised to continue growing much faster than the overall economy. The Manufacturers Alliance/MAPI forecast is for U.S. manufacturing to grow by 5.5 percent in 2011 and 4.6 percent in 2012, much better than the approximately 3 percent growth in GDP expected in these years.

Recovery from the type of severe crisis of recent years normally takes 4.5 years. MAPI expects this cycle will require a full 5 years. Manufacturing will continue leading the recovery in part because other sources of growth are likely to remain subdued in the

next two years. Consumer spending power is restrained by high oil and food prices and the tepid recovery in employment. Construction activity is likely to remain weak into 2012, undermined by deleveraging consumers, difficult conditions of state and local finance, expiration of the federal stimulus program and a huge inventory overhang. Government spending at all levels will be restrained, if not a drag on growth. Agriculture and the oil and gas and mining sectors are the only sources of strength, apart from manufacturing.

The table gives MAPI's forecast of manufacturing production for 2011 and 2012. Two factors helping to drive growth in manufacturing are strong capital spending and expanding exports. Increasing capacity utilization, the incentive from 100-percent

expensing passed by Congress, and normal replacement of capital equipment after several years of underinvestment help explain the strength in capital spending. We could also cite a continuing strategy to improve productivity as support for investment. High oil prices and a boom in natural gas production are another source for stronger capital spending. MAPI forecasts very strong growth in 2011 in industrial machinery; mining and oil and gas equipment; engines, turbines and power transmission equipment; metalworking machinery; and material handling equipment.

Exports already have exceeded their pre-recession levels and will grow at approximately 9 or 10 percent this year and next. Strong demand in the developing world and a decline of 11 percent in the trade-weighted value of the dollar help account for the rebound in exports. Exports of manufactured goods grew by 15 percent in 2010, and the United States had a trade surplus in nine major industries.

Growth in most consumer goods industries is subdued due to consumer deleveraging and higher gas and food prices. Intermediate goods going into the construction sector will also have subpar growth, while other materials industries such as chemicals, paper, metal and electrical equipment will see moderate growth. Medical equipment and pharmaceuticals will maintain the steady but moderate growth path of recent years. Nonetheless, 22 of 24 subsectors for which MAPI can offer a forecast will see growth in 2011, and 23 will do so in 2012.

Despite the optimistic outlook, heightened global economic instability and risk has not abated. The good news is that the current environment is favorable to U.S. manufacturing, and U.S. policymakers appear to be taking notice of its enhanced role in driving growth. Hopefully they will act to strengthen the sector further and insulate it to the extent possible from the many "black swans" lurking in the background. ●

	2011	2012
Housing starts	16	61
Motor vehicles and parts	15	9
Household appliance	3	5
Pharmaceutical and medicine	3	3
Iron and steel products	4	6
Alumina and aluminum production and processing	4	5
Fabricated metal products	6	2
Basic chemical	5	3
Paper	0	4
Construction machinery	3	6
Mining and oil and gas field machinery	18	11
Industrial machinery	17	4
Ventilation, heating, air conditioning and commercial refrigeration equipment	3	10
Metalworking machinery	13	4
Engine, turbine and power transmission equipment	15	19
Electronic computer*	9	4
Communications equipment	8	10
Navigational, measuring, electromedical and control instruments	9	4
Electric lighting equipment	2	4
Electrical equipment	5	4
Medical equipment and supplies	4	6
Aerospace products and parts	4	14
Private nonresidential construction	-11	9
Public works construction	-1	-2

*In current dollars

Source(s): Manufacturers Alliance/MAPI simulation of the IHS Global Insight Model.

NAM Vice Chair Tells Congress: Pass Panama FTA

The upcoming expansion of the Panama Canal, the construction of a new subway system in Panama City and the recent development of the world's fifth-largest copper mine in Petaquilla are three reasons the Obama Administration and Congress should move quickly to enact the U.S.-Panama free trade agreement (FTA)

and further open this important market to U.S. manufacturers, according to National Association of Manufacturers (NAM) Vice Chair and Caterpillar Inc. CEO Doug Oberhelman.

Oberhelman testified March 30 before the House Ways and Means Subcommittee on Trade about the growth-enhancing and job-creating benefits of the U.S.-Panama FTA, urging Congress to take action immediately to enact it. His testimony was on behalf of the NAM, the Business Roundtable, the U.S. Chamber of Commerce and the Latin American Trade Coalition.

"The FTA will cut Panama's tariffs on U.S. products and, as a result, it will transform an imbalanced trade relationship into a more mutually beneficial, reciprocal partnership," testified Oberhelman. "The day the agreement enters into force, 88 percent of Panama's tariffs on U.S. consumer and industrial goods and a majority of the tariffs on U.S. farm exports will be eliminated. In turn, the agreement locks in Panama's access to the U.S. market, creating a new level of certainty for investors and traders in that country," he said.

Panama already is a strong market for American-made products. The United States exported \$5.58 billion in manufactured goods to Panama in 2010, and the 2010 manufactured goods surplus was \$5.49 billion. This is despite a fundamental imbalance in the way exports are treated in each market. Currently, under the Caribbean Basin Trade Partnership Act (CBTPA), fully 96 percent of all imports from Panama enter the U.S. market duty-free. By contrast, Panama's average applied duty on imports of manufactured goods is 7.1 percent, and agricultural products face even higher tariffs. In a practical sense, Panama has virtually free access to our



Photo: Caterpillar Inc.

■ Products by **Caterpillar Inc.** are being used in various stages of the upcoming expansion of the Panama Canal.

marketplace, while U.S. products face steep taxes when entering Panama.

Oberhelman also called on congressional leaders to move forward with the other two pending trade agreements with South Korea and Colombia. In April, U.S. Trade Representative Ron Kirk announced that the United States and Colombia have agreed on an action plan for promptly resolving outstanding Administration concerns about Colombian labor issues. The action plan contains specific legislative measures and administrative actions the Colombian government will take and increases the chances President Obama will send the Colombia FTA to Congress before the July 1 deadline.

"The United States had a combined trade

surplus of \$21 billion in manufactured goods trade with our 17 current FTA partners in 2010, despite the overall trade deficit we have in manufactured goods trade with the world," said Oberhelman. "Our cumulative manufactured goods trade surplus with our FTA partners for the last three years is nearly \$70 billion. During that same period, our manufacturing goods deficit with countries with which we do not have trade agreements accumulated to \$1.3 trillion."

The success of current FTAs is proof that manufacturers in America can compete with anyone—provided they have open markets and a level playing field. That's exactly what trade agreements like the ones with Panama, Colombia and Korea will provide. ●

Manufacturers Continue to Monitor CPSC Online Database

As we reported in the April issue of *Member Focus*, the Consumer Product Safety Commission's (CPSC) public database went "live" in March, despite the objections of manufacturers and efforts on Capitol Hill to withhold funds for the project until industry concerns were addressed.

The database, which is located at www.SaferProducts.gov, allows anybody to report and search for safety complaints on thousands of consumer products. When a report is placed in the database, the company

mentioned is allowed to provide a response for consumers to view, in addition to the original product complaint. However, if a company is not registered with the database, it will not be able to do so.

The National Association of Manufacturers (NAM) recommends that all companies that produce consumer products regulated by the CPSC register with the database to ensure they receive reports and are able to respond to any potentially false or erroneous claims. ●

Congress and Administration Act on Manufacturers' Concerns About Burdensome Reporting Requirement

On April 15, President Obama signed into law H.R. 4, the Small Business Paperwork Mandate Elimination Act.

"Manufacturers are pleased that this costly reporting requirement is no longer a threat to their bottom line," said National Association of Manufacturers (NAM) Senior Vice President for Policy and Government Relations Aric Newhouse. "We appreciate that Congress and the Administration listened to manufacturers' concerns and fixed this unnecessary requirement from the health care bill. Since businesses of all sizes were already incurring costs to comply with the new rule, we are relieved that no more time passed."

The NAM had advocated for repeal since the new health care law was enacted, and manufacturers had already begun incurring costs to comply with the reporting requirement.

This repeal is an important step toward a pro-growth climate that supports jobs and innovation. Manufacturers look forward to working with Congress and the Administration on other issues that promote job creation and increase competitiveness in the global marketplace.

Register Now for the 2011 Manufacturing Summit

Please join the National Association of Manufacturers (NAM) and your manufacturing colleagues for the third annual NAM *Manufacturing Summit* in Washington, D.C., June 15-16, 2011. Manufacturers will meet with members of Congress and demonstrate the vital role of manufacturing in our nation's economy.

Last spring, more than 350 manufacturers from across the United States came to Washington to meet with lawmakers and make the case for job creation and competitiveness. As the new Congress considers action on a host of measures that will affect the business community, manufacturers in America must stand up and communicate the impact of proposed legislation on their bottom line. Sen. John Thune (R-SD), chairman of the Senate Republican Policy Committee, will address the Summit at our breakfast session on June 16. We also have invited White House Chief of Staff William Daley to participate.

It is critical for manufacturers to visit congressional offices and emphasize the need for policies that will spur vigorous economic growth and reduce the cost of doing business — policies outlined in the NAM's "Manufacturing Strategy for Jobs and a Competitive America."

To register for the *Summit*, visit www.nam.org/summit. For additional details, please contact Colleen Vivori, the NAM's director of public affairs, at cvivori@nam.org or (202) 637-3114. ●



■ Rep. Scott Garrett (R-NJ) talks with an NAM member at the 2010 *Manufacturing Summit* reception.



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.

NLRB Oversteps Authority, Threatening Manufacturers' Productivity and Competitiveness



The employers argue that the NLRB has significantly overstepped by taking one specific labor dispute and broadening it into a sweeping review of what should constitute a bargaining unit. Labor unions wholeheartedly support the creation of micro unions because they give union organizers the opportunity to pick and choose small groups of sympathetic employees who can more readily be persuaded or pressured into joining a union.

“What we are seeing is another blatant, politically motivated effort by the NLRB to subvert employee wishes and the framework of the law in favor of forced unionization no matter what the cost,” said Geoffrey Burr, chairman of the CDW. “The fractured bargaining scenarios that would result out of this will be nightmares for everyone involved.”

Senators Mike Enzi (R-WY), Orrin Hatch (R-UT) and Johnny Isakson (R-GA) have joined with the NAM in objecting to the NLRB's backdoor attempts to undo years of balanced and fair labor policy by circumventing the legislative process.

In a March 8 letter to the Board, they wrote, “What we have learned from various stakeholders is that the decision in *Specialty Healthcare* could result in changing the determination of appropriate bargaining units in every workplace under the Board's jurisdiction. We believe such a major change should only be done by amending the statute, which is the exclusive province of Congress.”

Should the NLRB maintain its ruling in favor of the micro unions, it would reverse more than 50 years of case law standards for bargaining units. The deadline for filing all *amicus* briefs was February 22. A decision has not yet been made, but the NAM continues to monitor the issue. ●

As a part of its ongoing push to radically reinterpret established and effective labor policy, the National Labor Relations Board (NLRB) is opening the door to so-called “micro unions” that would include only small groups of employees at a particular company.

Micro unions would allow labor to target groups of workers who support a union without giving those who do not support it an opportunity to vote. It would also create a management nightmare by allowing multiple like-minded groups of employees at a single location and giving a few select employees the ability to disrupt business operations through a labor action.

If the NLRB continues on this path, businesses could be forced to bargain with multiple unions for employees doing similar jobs, with each group of employees having different wage schedules, benefits packages and work rules. The impact on productivity and competitiveness would be substantial.

The case in question is *Specialty Healthcare and Rehabilitation Center of Mobile and United Steelworkers, District 9*. At issue is an attempt by the Steelworkers union to organize a group of certified nursing assistants at a nursing home. The employer, Specialty Healthcare, objected, maintaining that any organizing attempt must include all nonprofessional service and maintenance employees. The NLRB's regional director sided with the Steelworkers and the company appealed.

The NLRB's response was to solicit *amicus* briefs to comment on what constitutes an appropriate bargaining unit, apparently laying the groundwork to overturn longstanding precedent and allow the creation of these small micro unions.

The National Association of Manufacturers (NAM) is a leading member of the Coalition for a Democratic Workplace (CDW), which filed an *amicus* brief in the case, in alliance with the HR Policy Association.



Manufacturing Means *JOBS!*

Smithfield Foods: Making Sustainability a Core Value



sustainably the right thing to do, but it often saves money and valuable resources. We are mindful that sustainability is integral to producing good business results and essential to maintaining positive relationships with our stakeholders, as they are increasingly interested in these issues.

MF: What are Smithfield's sustainability priorities? Have you been successful? Where does the future lead?

DT: We have established a set of five core values. These commit us to produce safe, high-quality, nutritious food; to be an employer of choice; to advance animal care; to protect the environment; and to have a positive impact on our communities. Within each of these areas, we have set very specific goals and targets. We have recorded a number of successes in recent years—for example, we achieved a 60 percent reduction in water usage at our processing facilities from 2005 to 2009, and we have seen dramatic decreases in employee injury rates. Although we've had many successes, we realize that sustainability is a process, not a destination, and we still have much to do.

MF: How do these views shape the company's evolution and its approach to policy matters?

DT: In our company's past, we experienced environmental mishaps that made us a target of governmental agencies and activist groups. The key is that we learned from our mistakes, and during the past decade created a new company culture focused on core values that place a premium on leadership, performance and accountability. Our executive team has committed Smithfield to becoming a leader in corporate social responsibility and sustainability. That has become our mindset in the executive suite, the boardroom and on our farms as we consider policy matters affecting our operations. Our core values serve as a guidepost in directing all of our actions and charting our future course. ●

Dennis Treacy is senior vice president of corporate affairs and chief sustainability officer at Smithfield Foods in Smithfield, Va. He also chairs the National Association of Manufacturers (NAM) Sustainability Task Force. Mr. Treacy spoke with *Member Focus* about Smithfield's sustainability program.

Member Focus (MF): Please tell us what you do at Smithfield Foods and how it relates to your work on the Sustainability Task Force.

Dennis Treacy (DT): As Smithfield's chief sustainability officer, I am responsible for overseeing corporate social responsibility (CSR) initiatives across our company, including our independent operating companies in the United States and around the world. Our sustainability and CSR programs have been growing since 2002. This past year we expanded them to include ambitious goals and targets for our company's five core areas of focus: environmental

performance, animal care, food safety and quality, community involvement and employee health and safety.

I have seen firsthand the importance of sustainability to the success of a company, and I hope to provide direction and leadership to NAM members in this area through my position as chair of the Sustainability Task Force.

MF: Why is sustainability so significant to your company?

DT: At Smithfield, we understand that our success as a business hinges on our ability to demonstrate that we are operating appropriately and responsibly. Not only is operating

Manufacturing Council Reception Brings Lawmakers and Industry Leaders Together



■ On April 6, leaders from the manufacturing community and the Senate attended a reception with the Department of Commerce's **Manufacturing Advisory Council**. The reception was hosted by the NAM, The Dow Chemical Company, First Solar, Inc., Nucor Corporation and Myron Zucker, Inc., in conjunction with the Senate Manufacturing Caucus. The Manufacturing Advisory Council identifies and recommends ways to ensure the government responds to the challenges facing manufacturers to encourage their continued competitiveness both at home and abroad.



■ **Sen. Sherrod Brown (D-OH), Assistant Secretary of Commerce Nicole Lamb-Hale** and The McGregor Metalworking Companies Vice Chairman James McGregor attend the Manufacturing Advisory Council reception.

COOL STUFF BEING MADE

The National Association of Manufacturers (NAM) Small and Medium Manufacturers (SMM) Group Chair and ACE Clearwater Enterprises President and CEO Kellie Johnson recently unveiled a promotional video about the crucial role of SMMs to all segments of our manufacturing economy across the United States.

The video uses images and footage from many NAM members and highlights the men and women who belong to the skilled workforce behind American manufacturing. Putting a face to manufacturing illustrates what manufacturers do and how important it is to provide them with the right tools for success.

The U.S. is the global leader in manufacturing, and SMMs help contribute to that success by creating jobs and playing an important role in their local communities. Two-thirds of NAM members are small businesses, which serve as the engine for job growth. This video provides inspiration for other manufacturers to join the cause to maintain our global status in manufacturing. Please visit www.nam.org/CoolStuffBeingMade to view the video.



Photo: ACE Clearwater Enterprises

"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.

Representatives Receive NAM Award for Supporting Pro-Manufacturing Agenda



■ On February 22, **Rep. Phil Roe (R-TN)** received the *National Association of Manufacturers (NAM) Award for Manufacturing Legislative Excellence* from Eastman Chemical Company in Kingsport, Tenn. Pictured: Rep. Phil Roe, Eastman Chemical Company Chairman and CEO Jim Rogers.



■ On March 23, **Rep. John Sullivan (R-OK)** received the *National Association of Manufacturers (NAM) Award for Manufacturing Legislative Excellence* from Siemens Industry at the company's facility in Bartlesville, Okla.



■ **Rep. Fred Upton (R-MI)** received the *National Association of Manufacturers (NAM) Award for Manufacturing Legislative Excellence* in recognition of his consistent support of manufacturers and their employees. The Award was presented on March 25 at Pfizer, Inc. in Kalamazoo, Mich.

Upcoming Events—Register Now!

NAM Manufacturing Summit

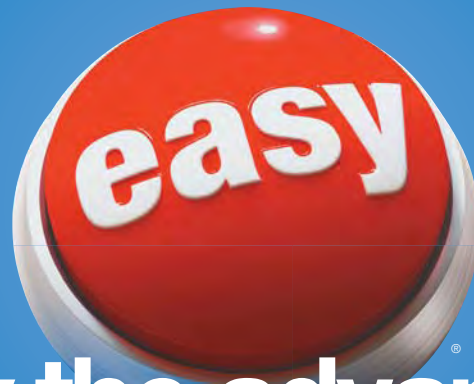
Wednesday, June 15, 2011–Thursday, June 16, 2011
Hyatt Regency Capitol Hill
400 New Jersey Avenue, NW
Washington, D.C.
Contact: Colleen Vivori
(202) 637-3114 • cvivori@nam.org

National Public Affairs Steering Committee Meeting

Wednesday, September 14, 2011 –
Thursday, September 15, 2011
Hyatt Regency Capitol Hill
400 New Jersey Avenue, NW
Washington, D.C.
Contact: Candice Daniels
(202) 637-3122 • cdaniels@nam.org

Welcome Back to Congress Reception

Wednesday, September 14, 2011
5:30 p.m. – 7:30 p.m.
101 Constitution Avenue, NW
Washington, D.C.
Contact: Tiffany Adams
(202) 637-3118 • tadams@nam.org



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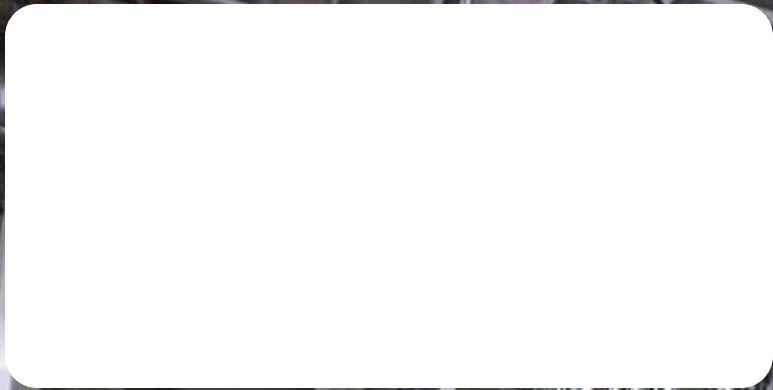


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