

Jay Timmons' Remarks to the *Manufacturing Summit*

June 10, 2014

As Prepared for Delivery

Welcome manufacturers! All of us at the National Association of Manufacturers (NAM) are so glad to see you here. We need reinforcements.

Your presence in Washington sends a powerful message to lawmakers. We are all advocates, whether it's the NAM staff knocking on doors on Capitol Hill or manufacturers talking to their colleagues and employees.

When our voices are heard, we make an impact.

Our job as advocates has never been more important. The stakes couldn't be higher.

There is no doubt that after several rough years, manufacturing is making a comeback in America. For the first time ever, manufacturing contributed more than \$2 trillion to the economy.

Here is a fun fact: Taken alone, manufacturing in the United States is larger than the entire economies of all but seven countries. We're creating jobs again, and manufacturers are investing in America. And that's important because every one dollar invested in manufacturing adds another \$1.32 to the economy. That's the highest multiplier effect of any sector.

But with all the good news surrounding our sector, we can't let optimism blind us to very real competitive disadvantages manufacturers continue to face in the United States; and we can't let it blind us to the risk that the wrong policy choices could bring the manufacturing comeback to a screeching halt.

It's exciting to see policymakers of both parties eager to jump on the manufacturing bandwagon, but the fact is that recent successes have come in spite of Washington. On nearly every issue that matters to manufacturers, the United States risks falling behind our global competitors.

So what is Congress doing about it? Well, the truth is not much.

Just look at some recent headlines. "Do-Nothing Congress Takes a Breather," *USA Today* recently proclaimed.

Time magazine reports that this Congress is on track to be the least productive ever, beating the old record set during the previous Congress.

Even President Obama is getting in the act, joking at this year's White House Correspondence Dinner that "If you want to get paid for not working, you should run for Congress."

You know, when faced with this grim reality, we could just turn our backs on Washington... accept the status quo. But you know what Ronald Reagan said about the status quo: It's "Latin for the mess we're in."

Manufacturers never accept the status quo, and we refuse give up on Washington. After all, as imperfect as it is, our system of government is the greatest in the history of mankind. Our nation is a beacon for the world and the hope for future generations.

So we've mustered our army, and we're mobilizing. I hope Congress is ready for us because we have a long list of priorities—there is no doubt that Washington has a lot to do to make this country competitive again.

Just last week, the Obama Administration rolled out a policy that could stop the manufacturing comeback in its tracks.

It is an undisputed fact that affordable energy has fueled the recent growth in our sector, but the Administration's greenhouse gas rules will significantly limit the sources of energy that are available to our economy. First, it will be coal—which is responsible for 40 percent of the power generated in the United States—but that doesn't tell the whole story.

When you go up to Capitol Hill today, let your elected officials know what it would mean to you if the Environmental Protection Agency (EPA) is successful in its quest to raise the price of the energy you use.

The EPA is not going to stop with coal. Next, it will be natural gas. Ultimately, the EPA will regulate our entire economy.

Here's the bottom line: Manufacturers can't afford to lose the competitive advantage we enjoy when it comes to energy. And, as we all know, our tax code certainly won't pick up the slack.

Congress and the President continue to talk about tax reform, but at some point, we have to get beyond thought experiments and discussion drafts.

Because until tax reform happens, manufacturers will continue to toil under the highest corporate tax rate in the world. Small and medium-sized manufacturers are saddled with tax rates that are even higher—thanks to last year's tax increase.

If Congress is serious about growing the economy and creating jobs, tax reform is an imperative. And so is free and fair trade.

How many exporters are here today? Lawmakers need to hear your stories. Otherwise, Washington will continue to stand still on trade.

Manufacturers need Washington to finish the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership with strong intellectual property, investment and data security

provisions, and let's be clear: We need Congress to approve Trade Promotion Authority so we can begin negotiating new trade agreements.

Another critical trade priority is export financing. The clock is ticking on the Export-Import Bank. When you are on Capitol Hill today and tomorrow, make it clear that our nation can't afford unilateral economic disarmament. That is exactly what happens if the Ex-Im Bank closes. The bank supports exports from thousands of small businesses in this country, and our supply chain is vital to our success.

When we dither on trade, other countries are eager to step into the void and sell their products to the 95 percent of consumers who live outside the United States. It's a sad commentary that the greatest nation on earth can't access some markets overseas because of political gridlock back home—and that gridlock also threatens to derail the American Dream in another area.

We all know that manufacturers helped build this nation; we are the lifeblood of communities. And we can keep our communities strong by doing what we should have completed months ago: pass comprehensive immigration reform.

We're going up to Capitol Hill with a long and urgent list of priorities, but that's because the list of steps the United States must take to improve the economy and strengthen manufacturing is lengthy indeed.

Of course, sometimes, folks just don't get it. A group of manufacturers and I recently met with an Administration official who said that the federal government needs to keep stepping on the gas pedal to keep the economy accelerating. Well, the fact is, Congress first needs to hit the brakes on policies that slow growth—and then put some fuel in the tank by getting moving on our policy priorities.

The longer we wait to address the impediments to growth and job creation, the more we risk falling behind our global competitors.

Of course, we can't ignore the reality on Capitol Hill. I get it: It's not easy to get things done in Washington, especially in an election year with a divided Congress. The natural tendency of our government is to maintain the status quo.

But that's where manufacturers come in. Just as we are the engines of the economy, we must also be the drivers of action in Washington. Our efforts and our voices can provide lawmakers with the push they need. We can be that spark.

You have a great platform. America is paying attention to manufacturing. Lawmakers are listening. In just a few minutes, the Vice President will be here. Tomorrow, Senate Republican Leader Mitch McConnell will join us. They each want to be here, because they understand that we are a powerful and influential force.

Your work this week and throughout the year is making an impact. It may not happen immediately, but Washington is going to start working again. When it does, our advocacy today

will ensure that manufacturers have a head start in advancing our agenda for economic growth and opportunity.

I know we'll succeed, and much of that optimism comes from what I see here today: Men and women who are committed to a strong economy. Men and women who are committed to advocating the right priorities. Men and women who are committed to the success of manufacturing in America.

Thank you again for making the *Summit* a priority. You are the reason we will ultimately win in Washington.