

**Remarks Prepared for Delivery
Jay Timmons, President and CEO
National Association of Manufacturers
State of Manufacturing Address
Automation Alley, Troy, Michigan
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Good morning, and thank you, Tom, for the introduction. It's a great day to be here in Michigan to kick off the 2018 National Association of Manufacturers' State of Manufacturing Tour.

Over the next two weeks, we're going to barnstorm this incredible country of ours, going from here to Kentucky, Indiana, Alabama, New York, Kansas, California and Missouri.

Our goal is simple: to spend time with the amazing men and women who make things in America so that we can be their voice as we tell the story of modern manufacturing.

And there's no better place to start than right here in Michigan, where America's manufacturing roots run deep and where manufacturing workers are building our future like no place else.

On this beautiful, frigid morning, we couldn't ask for a better place to get our blood pumping!

To get started, I'd like to salute a few folks who are with us today:

- Chuck Hadden, president and CEO of our partners at the Michigan Manufacturers Association
- Oakland County Executive L. Brooks Patterson
- Irene Spanos, for championing Oakland County manufacturing and for being instrumental in bringing us here

I also want to thank Bruce McDonald from Adient for being part of our panel this morning.

And it's good to see our friends from American Axle & Manufacturing, DENSO International America, GM, Magna International, Meritor—and a special shout-out to Mahindra.

The NAM team was proud to be a part of the opening of Mahindra's new facility last November, the first new auto plant in the region in 25 years.

Many tremendous educational institutions are also represented here today.

And best of all, it is great to have the students who are here with us today. I am so excited for you because you are the ones who get to live the future of modern manufacturing and see it in action.

But before we get too far ahead of ourselves into the future, ladies and gentlemen, let's talk about the present.

What is the state of manufacturing today?

Today, manufacturing in America is a confident industry. We are growing, investing, hiring and raising standards of living in communities all across our nation. That is a very different place than just a few years ago. And it didn't happen by chance.

This success is thanks in large part to the work of leaders in the White House and Congress who have made the American manufacturing worker a top priority.

For manufacturers, it's not about politics or personality or process. It's about policy. The policies of the last year have produced tremendous results for manufacturers. That's a fact.

But most importantly, it's about the people who make things—and providing the best environment for their success.

As the business climate improves, the need to fill jobs grows. So, there's another challenge before us: building the modern manufacturing workforce.

The work that happens here at Automation Alley is mission critical to the continued success of manufacturing in America. You are developing talent and forging partnerships to accelerate job-sustaining innovation.

Today in America, manufacturers need to fill some 364,000 jobs. Over the next seven to eight years, we'll need to fill around 3.5 million, according to a study from Deloitte and the NAM's Manufacturing Institute.

But 2 million of those jobs could go unfilled because we haven't upskilled enough workers—2 million!

Now, outside this room, there are probably people who will wonder: How can you talk about job creation at a place called "Automation Alley"?

But here's what you might not read in the news: automation and job creation are not at odds—not in the least. American workers and American technology are not enemies. Innovation and automation are expanding what American workers can do, making the impossible possible and transforming this industry for the better.

We've seen, for example, how automakers use technologies like augmented reality to test new assembly methods and improve ergonomics for their workers, improving both health and efficiency.

Automation means jobs. Here in Oakland County, home of Automation Alley, you've added more than 19,000 manufacturing jobs since the Great Recession. That's growth of more than 40 percent.

Innovation is changing the way our industry looks. But it doesn't change what's at our core: men and women who have lent their talents to build something bigger than themselves—people finding purpose in making things that matter.

So, the challenge today isn't a shortage of manufacturing jobs. Far from it.

The challenge is that the type of work in manufacturing is shifting. It's not about white collar or blue collar. It's about "new-collar" jobs—jobs that are high-tech, 21st-century, rewarding, well-paying—many that don't require a four-year degree.

But, ironically, if I ask a roomful of parents if they want their kids to go into manufacturing, the best I usually get is a couple of raised hands.

At the NAM, we launched our "Creators Wanted" campaign last year for exactly that reason: to have real people from real manufacturing jobs talk about what their jobs really mean.

Manufacturers are making lifesaving medicines and life-changing technologies, revolutionizing food production, making our societies more sustainable and transforming the way we commute and communicate. You don't have to be a politician or a lawyer to make a difference.

If you want to create change, be a manufacturer. You might work for an iconic brand or maybe an upstart small business, but the opportunity is there, whether you're unemployed or underemployed, looking for a new career or your first career.

Today looks different from yesterday. Tomorrow will look far different still and in ways we can't imagine.

How will artificial intelligence further augment the jobs of a talented workforce?

How will augmented reality enhance a worker's ability to solve complex problems?

How will quantum computing power a quantum leap into the future?

How could blockchain revolutionize the supply chain?

We can't answer those questions just yet. But there is no question that reaching our potential and harnessing technologies for good will require lifelong learning and technical literacy.

The nature of work is changing, so we have to rethink models of learning as well.

We were very encouraged last year when the White House and the Labor Department announced they would prioritize apprenticeships in America.

It's a model that has served other countries well. It gives people the chance to earn while they learn—both on the job and in the classroom.

At the NAM and The Manufacturing Institute, we've been asked to partner with the Trump administration to create a new, NAM-recognized system that promotes flexibility and participation.

The demand is there, but we are nowhere close to having the number of apprenticeships or the robust system we need in this country.

According to Oakland County's skills assessment survey, almost half, 48 percent, of manufacturers say they need more trained engineers and designers on their teams.

An apprenticeship program is one of the ways to help fill that need.

We often talk about "workforce issues" as though they exist in a vacuum, detached from other policies that also impact day-to-day operations and the business climate.

But the fact is, all policies that manufacturers care about are workforce issues—all of them. They're about getting workers bigger checks, better jobs, better technology and more opportunities to sell the products they make.

So, taxes, infrastructure, regulations, energy, trade, immigration—all of these will determine the success of the modern manufacturing worker.

Over the last year, leaders in Washington, driven by the vision from the White House, have transformed the business climate in America in rapid fashion.

They made 2017 "The Year of the Manufacturer," not just with their words, but with their actions. Manufacturers and manufacturing workers haven't had a President or administration so focused on our success in quite a while.

For instance, it is not possible to overstate how much tax reform matters to the future of manufacturing.

For decades, we weren't playing on a level playing field. While we assumed America's economic engine couldn't be challenged, other countries got smart. They lowered their rates so they could win jobs, win business. But now, manufacturers are empowered to compete and win.

In fact, in our latest Manufacturers' Outlook Survey:

63 percent said they would spend more on their facilities and equipment because of tax reform;

54 percent said they would hire more workers; and

Half planned to increase wages and benefits.

We've seen a lot of great headlines and stories of businesses investing in their workers and communities. That's just the beginning.

We want to look back 10, 20 years from now and be able to see what a difference tax reform made in the lives of working families.

We will create more jobs and hire more skilled workers. We will invest in more plants and attract more investment to our shores. And we will enhance pay and benefits.

For now, the most important fact is that the manufacturing economy in America—from Michigan to Mississippi, Maine to California—is on a more solid foundation.

“You may have also heard about the breaking news coming this morning on the White House plan for investment in infrastructure.

And no doubt, for manufacturers, infrastructure is the next big thing. Roads, bridges, ports, pipes, pipelines, waterways, broadband and the electrical grid. You name it, it's time to build it and re-build it. The painful truth is that America doesn't lead the world on infrastructure. Not anymore. Not even close.

That has big consequences. Shipments delayed, customers inconvenienced, work hours lost. Above all, it's a risk to our families when we're relying on infrastructure built for another generation. A bygone era.

The NAM released our Building to Win plan more than a year ago, an agenda that was warmly embraced by the Trump campaign and administration and used as a guidepost by them and Congress.

It's estimated that until 2025, families will lose \$3,400 every year because of deficient infrastructure. By 2026, just eight years from now, that cost will rise to a staggering \$5,100 wasted every year.

The administration has already delivered on some important permitting reforms. To get projects back on track, now the President is calling for a substantial \$1.5 trillion investment. It's the kind of leadership manufacturers have wanted for a very long time...and it could help us reclaim our rightful place as a global leader on true 21st-century infrastructure.

Manufacturers are ready to work with Congress and the Trump administration to deliver a tremendous plan that will literally get America moving again.”

Infrastructure is also a critical part of improving manufacturers' access to reliable, affordable energy. Over the last year, the administration has taken bold steps to expand energy development in the United States.

That's game-changing for manufacturers because we're an energy-intensive industry, though at the same time, we have made great strides in efficiency and sustainability.

Over the past decade, the United States has made greater reductions in greenhouse gases than any nation on earth. Manufacturers have reduced emissions by 10 percent in that time, even as our value to the economy has increased 19 percent. We're proving that environmental stewardship and economic growth can go hand in hand.

But it's not just about consumers. It's also a national security imperative. To restrict our ability to develop our domestic energy resources is equivalent to subjecting our national economy to the whims of hostile regimes.

Today, thanks to new technology and a more balanced regulatory climate, the United States is on track to be a net exporter of energy for the first time in our lifetimes.

Energy manufacturers aren't alone in wanting to increase exports. Indeed, much of the manufacturing growth we've achieved in recent years is a direct result of our existing trade relationships, which support more than 6 million manufacturing jobs in our country.

U.S. exports of manufactured goods to Canada and Mexico alone support the jobs of more than 2 million people at more than 43,000 manufacturing companies across the United States.

Let's be clear: manufacturers always want America to negotiate the best deal possible. After all, 95 percent of the world's customers live outside the United States.

So, as our negotiators are working to update NAFTA and challenge harmful market distortions in China and elsewhere, we need to do so with an eye to securing strong tools to enforce the rules.

The goal must be to ensure manufacturers and manufacturing workers in America are not forced to bear new costs or burdens that would make us less competitive. We know that can be done.

Oakland County is a perfect example of the benefits of trade in a global economy. In just the last four years, you've seen more than a billion dollars of foreign investment from 13 countries—accounting for nearly 6,200 new or retained jobs.

We want more of that. And we want more chances to sell our products outside America so that we can create more good jobs right here in America.

America is a trading nation, and we are also a nation of immigrants. And those immigrants, our friends and neighbors, are part of our workforce. They lead some of our greatest companies. They founded some of our biggest brands.

For manufacturers, getting immigration reform passed—and, most urgently, finding a solution for the “Dreamers”—is a moral issue and an economic issue. We cannot rob people of the only country and communities they know, and we cannot rob our country of some of the hardest-working people we know.

And so, I join manufacturers across this country who have united to say to Congress: stop playing politics with people's lives.

Get this done, so we can build an immigration system that rightly ensures our security, while also welcoming hardworking people who want to contribute to this country.

Now, with all that in mind, there's a lot of opportunity ahead of us. But there also are those who want to hurt manufacturing in America, who want to profit at our expense.

There's a growing trend, an alliance of activists, plaintiffs' attorneys and politicians going after manufacturing companies with frivolous, misguided lawsuits. The lawyers want to make money; the politicians want to make headlines.

At the NAM, we're not letting this attack on our companies and our workers go unchallenged. We launched the Manufacturers' Accountability Project to hold the bad actors accountable.

We're going to fight back because there's too much at stake. Jobs, communities, the economic might of our country—it's all potentially in jeopardy.

Ultimately, the goal of manufacturing in America is to improve the human condition.

Manufacturers want to be in the business of lifting everyone up, leaving no one behind, of advancing the values that make America exceptional: free enterprise, competitiveness, individual liberty and equal opportunity.

That's our history, and that's our mission for the future. If you want to learn more and join us in this work, text MFGJobs to 52886.

Manufacturers build better lives with the products we make, and we provide good livelihoods with the jobs we create.

We give people work that provides meaning and purpose, that offers not just a paycheck, but the satisfaction of having created something that matters.

Anyone can imagine the future. Anyone can be a visionary. And America has been blessed with some of the best minds the world has ever seen.

But while anyone can imagine the future, it takes a manufacturer to build it.

So, we are determined to do everything in our power to ensure manufacturers are ready to build the best future anyone can imagine.

Thank you so much.