

**Remarks Prepared for Delivery**  
**Jay Timmons, President and CEO**  
**National Association of Manufacturers**  
**Detroit Economic Club**  
**State of Manufacturing Tour**  
**February 24, 2017**

**“Manufacturing’s Moment”**

Good afternoon. For someone who believes manufacturing is an ideal, it’s hard to beat the experience of speaking to the Detroit Economic Club. So, thank you for having me back. It is an honor.

Thanks to Congresswoman Debbie Dingell for that introduction and for your dedication to the people of Michigan—and really the entire country. Because what happens in Michigan powers America.

Your understanding of where voters were this past election set you apart among your peers. We look forward to working with you to respond to voters’ concerns and strengthen manufacturing and our communities.

And I’m honored to have as our special guest another leader who embraces that work every day, as general president of the Laborers’ International Union of North America, my great friend, Terry O’Sullivan.

Manufacturers and our nation are stronger when labor and business work together, when we set aside some differences, and forge consensus around priorities that achieve progress for everyone.

Today that work is more urgent than ever—and it was important to us both this afternoon to show unity at a time when America needs to move beyond a divisive election and find common ground on a positive path forward.

Thank you, Terry, for standing with us on the hard work that lies ahead.

I also want to recognize Chuck Hadden, the president and CEO of the Michigan Manufacturers Association. The MMA is a great partner and a powerful advocate, and it was their efforts that helped secure major property tax savings for manufacturers here in Michigan.

In addition, we have some NAM board members with us:

- Jeff Edwards, Chairman and CEO of Cooper Standard and an NAM Executive Committee member
- Wes Smith, president of E&E Manufacturing Co.
- Randy Miller, who serves as global sector leader, automotive and transportation at Ernst & Young
- Brian Heckler, who is the U.S. leader of KPMG’s industrial manufacturing sector

It’s also good to see Craig Glidden, GM executive vice president, legal and public policy and general counsel.

Thank you all.

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I was here two years ago, in February 2015, during our first State of Manufacturing Tour. I was thinking back to that trip and what our concerns were at that time.

I wish that I had passed around slips of paper and asked everyone to make predictions for the world of February 2017.

Because I don't think a single person would have predicted that the 45th president of the United States would be Donald J. Trump.

Who would have predicted that the new administration would be such vocal champions for manufacturing?

And, who would have predicted that Donald Trump, as unconventional as he is, would have made some inspired choices for his Cabinet leadership?

On the other hand, who would have predicted that a startup tech company, Twitter, would grow to become such a potent force for the leader of the free world?

So the past two years—the past few months really—have brought us a lot of surprises, including many positive developments.

Of course, we have questions and concerns—on issues like trade and immigration. But, it is undeniable that for millions of men and women who make things in America, this change has them feeling that the state of manufacturing is growing stronger.

Manufacturing is increasing output and bringing us revolutionary technologies.

Manufacturing is diversifying and transforming for the better.

Manufacturing is charting new frontiers and supporting new jobs. Because of the ideas and industriousness of the men and women in this room, in sites of innovation and production across this country and from all corners of the world, this is the state of manufacturing in America.

The past year alone has brought us headlines of autonomous vehicles, promising new medical treatments and the smartest technology to date.

Manufacturers support more than 18 million American jobs. And across this country, companies are announcing their plans to make new investments in American factories and American workers—thanks, in part, to greater confidence that the business climate here will improve under new White House leadership working with leaders in Congress.

I'm talking about the engineers who turn the unimaginable into reality, developers who write the code undergirding the Industrial Internet of Things and the technicians who keep the robotics running in precision.

These are the scientists who discover the chemical compounds that become new drugs and save lives and even the brewmasters perfecting their trade to deliver the best new craft beer.

By the way, Michigan really does have some of the best craft beer. The proof is that you're not just selling in Michigan. It's going to Germany. And China. That's amazing, and a reminder that trade—especially reaching foreign consumers who want to buy American—is essential to manufacturing's success.

As manufacturers, we innovate and improve the human condition—and I'm not just talking about the beer.

We contribute significantly to the economy. We have the most impressive multiplier effect. To be precise, for every dollar invested in manufacturing, another \$1.81 is added to the economy.

So, if a company spends, say, \$1 billion toward a new facility in a community, you can expect economic activity to increase by nearly \$2 billion more.

Meanwhile, we're making great new strides in sustainability and energy efficiency. And the growth of technologies like 3-D printing help us deliver greater value to our customers through just-in-time manufacturing. It's kind of like the old Jack in the Box slogan: We don't make it till you order it.

Our future is filled with promise. And whether you look at survey data or look into the eyes of a father, a mother, a son or daughter in a laboratory, in an office, in an innovation center or on the shop floor, there's no doubt: our confidence is higher than at any time in at least the past decade.

This is our time. Manufacturing animated the presidential race. Manufacturers propelled a change election. And the president of the United States has made manufacturing in the United States his signature issue.

However—and this is also important—it is true that you don't see some of the same factories you used to. In Detroit and elsewhere, like my hometown of Chillicothe, Ohio, the landscape is different. For so many, that is a true source of pain, and we, as business leaders, have the obligation and responsibility to address that head-on.

If you're a manufacturing worker of many years, and your community's facility has closed up, it doesn't matter to you if the larger industry is thriving. Your world has been turned upside down.

There is tremendous anxiety out there. There are families who are worried. There are men and women who wonder if they have a place in the modern economy.

Our job—your job—is to show them that, yes, they do.

There's been a lot of talk about “bringing jobs back,” especially during and after the presidential campaign. But the story is also about upskilling jobs, helping workers move up the ladder in a company. It's about upscaling jobs, making jobs pay more as technology allows them to do more. And it's about future-proofing jobs, equipping people with the talents and flexibility to thrive in a modern, evolving industry.

Today, there are more than 350,000 manufacturing jobs open. And, over the next decade, according to research by the NAM's Manufacturing Institute and Deloitte, we expect more than 3.5 million job vacancies in manufacturing.

There will always be a place for those who do the gratifying physical, hands-on work—the craftsmen and women and the artisans. A small manufacturer in Austin, Texas, calls these Americans our “creative working-class heroes.” Their pride in creating will always give “Made in America” special meaning. But they're all part of a broader and more diverse industrial age in the United States.

And together, we will usher in a new era for American manufacturing.

Our task is to help people acquire the skills for those jobs—and to learn they exist. When new technology empowers us to do a job faster and better, we can't just leave people behind. The structures should be in place for their jobs and their careers to evolve as the workplace does.

With all that in mind, though, part of the solution is getting policymaking back on track in Washington, D.C. There's only so much we can do if the larger business environment isn't right.

The good news is that the possibilities for reform and progress look better today than they have in decades.

The big difference from when I spoke here two years ago is that we have a president who's ready to sign the legislation that comes from Congress.

As some of you know, the NAM last year released a comprehensive agenda on 11 distinct policy areas. Now we've updated it, and we provided even more detailed proposals to the administration and Congress so that there's no doubt about what manufacturers expect.

In fact, just yesterday, our NAM Board Chair, David Farr, chairman and CEO of Emerson, took our message and policy priorities directly to the White House in a meeting with President Trump.

Our message is this: We need a boost to the competitiveness of our sector and of our nation, so that we can win at home and in overseas markets.

And here are three big-ticket items:

Regulatory reform. Infrastructure investment. Tax reform.

On the regulatory front, we have already witnessed a sea change in the past 35 days. Of course, there's more work to do.

A recent NAM study found that manufacturers are subject to 297,696 restrictions from federal regulations. And the cost of regulatory compliance for small manufacturers (those with fewer than 50 employees) is nearly \$35,000 per employee per year.

Regulatory reform—making regulations smarter, simpler and streamlined—is one of the quickest ways to create jobs and give manufacturers the confidence to expand.

We know it's possible to have safe workplaces and environmental stewardship at the same time our economy is experiencing robust growth. If we can work together, from the Department of Labor to the EPA, we can achieve those goals.

Now on the infrastructure front, I like to think the NAM got out ahead on this one. We saw over the summer that both candidates were hot on infrastructure investment. So we said we don't want these good intentions to devolve into the same disappointments of the 2009 stimulus bill.

We released an infrastructure plan of our own, called "Building to Win." It certainly wasn't exhaustive, but it did point out the big problems, the economic opportunities and even the price tag and pay-fors.

I'm proud to say that the Trump campaign cited our plan favorably when laying out their vision for infrastructure last fall. Administration officials have cited it publicly since taking office. And

we hear public statements from leading Democrats—and Republicans—about the type of modernization we're calling for. So I think we have a good foundation to build on.

You really can't overstate the urgency of the need here—from transportation infrastructure to energy infrastructure and technological infrastructure like broadband. Our infrastructure is not what a 21st-century economic powerhouse needs. It's crumbling, it's outdated, and frankly, it's dangerous.

Here in Michigan, Gov. Snyder has rightly called for greater investment. There's no time to waste, whether you're talking about bridges or rail lines or the Soo Locks System, which is essential to the auto and steel industry and millions of jobs.

We can bring people and groups together around the infrastructure cause—from the NAM to Terry O'Sullivan and LiUNA, for example. If labor and employers can be unified on this issue, Washington can't stand still.

Terry and I believe there's no excuse for inaction in Washington. I really hope this doesn't get hung up on ideological debates. I think that might be a benefit of President Trump: he may be able to break up some of that traditional posturing.

And if he's successful, then the American people have a lot to gain. And if he's not, we have a lot to lose.

Millions of jobs are at stake. Without immediate action on the infrastructure crisis, the United States will lose more than 2.5 million jobs by 2025 and more than 5.8 million by 2040.

From 2016 to 2025, families will lose \$3,400 every year because of deficient infrastructure, and by 2026, that cost will rise to a staggering \$5,100 wasted every year.

Estimates peg the infrastructure funding gap at well over a trillion dollars. And that cost only grows with each passing year.

If we invest now, we will put America on a stronger foothold, better able to compete in the global marketplace for at least the next generation.

Finally, manufacturers hope to see progress on a target that has proven to be elusive: tax reform.

The last major overhaul of the U.S. tax code was in 1986. Think about it: in 1986, there wasn't internet in every home, never mind in every pocket. Fax machines were the hot technology at six minutes per page to transmit. Forget 3-D printing; we barely had color printing. And there were 86 million fewer people in the country.

Manufacturers have innovated over the past 30 years, the country and economy have transformed, but the U.S. tax system, well, it hasn't kept pace.

To spur job creation, business tax reform must have a few essential goals:

Reduce the corporate tax rate to 15 percent, which is what the president has proposed.

Small businesses and pass-throughs should see taxes reduced as well.

We want to shift to a modern territorial international tax system.

And we want to strengthen R&D incentives and see faster deductions for capital investments.

These changes would result in a boost of more than \$3.3 trillion in investments, more than \$12 trillion in GDP and more than 6.5 million jobs for American workers.

That is the kind of transformational jolt we must deliver—for the benefit of working families—far too many of whom feel like they have been forgotten...or feel betrayed by their government and by institutions vital to our democracy.

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Ladies and gentlemen, we can be the solution. That's what we believe at the NAM.

Last year, we launched a new program, Friends of Manufacturing, to mobilize grassroots supporters of manufacturing. If you take out your phones and text "Friends" to 52886, you can help drive the change we need in Washington. Right now, text "Friends" to 52886.

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Now, we talk a lot about jobs and growth as well as dollars and percentages. But all those numbers add up to something far more important: optimism, confidence and self-reliance.

Manufacturers want to be in the business of empowering Americans to better their lives. And we need the policies and leadership that empower us to do that.

Because at the end of the day, this isn't about a party or a president. The only red and blue in manufacturing is in the flag that hangs on every shop floor.

I think we've learned recently that predicting the future can be foolish. But there's one thing I can predict with complete confidence:

Manufacturing will be a dominant force in America's economic future.

Decades ago, pioneering manufacturers arrived in Detroit with a vision. They not only dreamed of making a car; they saw a future where humans could be more mobile than ever, where goods could be transported more easily. They had a dream that would change our lives, our economies and the human condition.

What others saw as a fad became a way of life—an icon of the American experience, a staple of everyday life.

Today's manufacturers are no different. We are building the next icons, turning things we can't imagine into things we can't live without.

We are the dreamers, the makers, the doers we always have been. And we will continue to surprise and change the world.

Thank you. I'll be happy to take your questions.