

**Jay Timmons' Remarks at Siemens Customer Experience (Berlin, Germany)
April 13, 2015**

Good morning, and thank you, Eric [Spiegel], for that kind introduction. It's always great to be with a fellow Ohioan.

I know I'm the only person left holding you up from seeing the exciting innovations at BMW and by Siemens Motors. So I'll tell you what Elizabeth Taylor said to her fifth husband: I'll only keep you for a moment.

Eric, thanks again for having me here—and for your exceptional leadership at Siemens, on the President's Advanced Manufacturing Partnership 2.0 and for all you and Siemens do for your employees, our industry and the United States. Siemens is an absolutely vital partner of the National Association of Manufacturers, and I'm proud to call you a friend.

It's great to be in Germany. I attended my first Hannover Messe last year, and Eric is right: you will see how software and digitalization are transforming business—and manufacturing really—in a whole new way. I can't think of a more visually-overloading experience, with miles and miles of dynamic exhibits. It's the future on display, and we all—as people, manufacturers and as countries—want be a part of, and help determine, that tomorrow.

And, I speak from personal experience. Not only based on what I see from the 14,000 manufacturers—from global giants like Siemens to small businesses on Main Streets all across America—that make up the NAM, but also because of what is taking place at my own home. Right now, with just the press of a button, I can turn the lights off at my own house thousands of miles away. That drives my family crazy.

All told, there are more than a billion connected devices and machines in use today. Experts predict we'll see as many as 50 billion “things” connected to the Internet by the end of this decade in a massive trend often called, in the United States, the Internet of Things. That's a fourfold increase in just six years. As Harvard University Professor Michael Porter, the definitive authority on the Internet of Things, told us at an NAM event last month, the Internet of Things will generate as much as \$6.2 trillion in global economic value over the next 10 years. That's about 10 times as much economic value as will be created by 3-D printing, another game-changing trend.

The impact of this aspect of the digital revolution on manufacturing in the United States, in particular, has been dramatic. According to one estimate, the number of Internet connections in the manufacturing sector grew by 204 percent in 2014 compared to 2013.

And manufacturers in the United States are leading the way on these advances. Eric touched on the cutting-edge work by Siemens. Other NAM members are building on this work as well.

In the energy sector, ABB's smart grid technology enables utilities to analyze huge amounts of real-time data across a wide range of generating, transforming and distribution equipment, like changes in the temperature of transformers and secondary substations. This alerts utility control centers to possible overload conditions, allowing adjustments that can prevent blackouts before they occur.

In consumer goods, Big Ass ceiling fans sense and engage automatically when a person enters a room, regulate speed on the basis of temperature and humidity, and recognize individual user preferences and adjust accordingly.

John Deere used to manufacture multiple engines with different levels of horsepower to serve different customer segments; now they can modify the horsepower rating on the same engine using software alone.

And Harley-Davidson recently installed software that keeps a record of how different equipment is performing, such as the speed of fans in the painting booth. The software can automatically adjust the machinery if it detects that a measurement—like fan speed, temperature or humidity—has deviated from acceptable ranges.

These examples, and the manufacturers who make these innovations possible, are why today manufacturing in America is as resilient and robust as ever. We are creating more jobs, powering North American energy independence and security, making more products and making them better and smarter than ever before. For the first time in history, manufacturing contributes more than \$2 trillion to the American economy—one of every eight dollars in that economy.

That's why I'm so proud to go to work every day leading the NAM—the unified voice that advocates the promise of manufacturing in America—because I'm proud to be associated with innovators and problem-solvers. That's what we do. When manufacturers see a problem, we fix it. If we can't find a solution, we create it. That's who we are. And, by the way, isn't that the story of our people, whether you're from the United States, Canada or Germany, as well?

When I was recently on the State of Manufacturing Tour, which took me to 10 cities across the United States, I witnessed how manufacturing is on the move. In Spokane, Washington, in Detroit, Michigan, in Birmingham, Alabama, I even saw young people with great enthusiasm about robotics and engineering and making things, more of what we'll need to fill the 2 million jobs we've been warned could be left unfilled over the next decade by the skills gap.

I also made a point of emphasizing that manufacturing in the United States has succeeded because our industry and our solutions are grounded on four fundamental values—values that also happen to be important to all of our countries. The first of these is free enterprise: market forces that drive innovation and growth.

The second is competitiveness: our ability to invest and expand markets and succeed in the global economy.

The third is individual liberty: the creativity and entrepreneurship unleashed by protecting, defending and advancing our basic freedoms and rights.

And the fourth is equal opportunity: our shared belief that every one of us, if given the chance, has the potential to prove we can contribute to the success of our companies, our communities and our countries.

Why do I mention this? Because with policies and leadership that bolster these principles, manufacturers in the United States can capitalize on this historic moment.

Manufacturers have led the way in terms of protecting the privacy of customers and consumers by building security measures at the outset of the digital revolution. Governmental leaders can reciprocate by partnering with the industry on a sensible strategy that facilitates the growth of this transformation rather than deploying a reactionary regulatory structure that will only chill further expansion of these enabling technologies. Our role at the NAM is to inform, educate and help our government policymakers make the right choices on issues that affect the growth of manufacturing.

If manufacturing in the United States is to truly compete in a global economy, our government must work through new trade agreements and other avenues to enhance the ability of data to flow across borders and provide aggressive intellectual property protections both here and abroad.

This technology-driven revolution has allowed manufacturers to create valuable IP, as important to our businesses as anything we're delivering to our customers. But with this new age comes significant vulnerabilities—new opportunities for bad actors to steal this IP, jeopardize operations and infiltrate our critical infrastructure.

To that end, President Obama and congressional leaders from both parties have called for more real-time cyber-threat information sharing between the private and public sector to prevent cyber thieves from stealing our most coveted information. Along with collaboratively sharing more information, current legislative proposals place an emphasis on protecting the privacy of personal information, and targeted liability protection for private entities that share threat information with the government. This is a promising start that will facilitate the greater use of technology across the manufacturing enterprise, but much work needs to be done.

I won't add much more on policy, but there are other vital measures we need, like new trade agreements, including the Transatlantic Trade and Investment Partnership, long-term export financing, the job-creating Keystone XL pipeline, a 21st-century workforce, sane regulations, competitive taxes—all NAM priorities for which we work every day, engaging with policymakers, running campaigns to galvanize public support around our goals, broadening our ties with partners and allies to forge change and, at times, defending our interests with litigation.

But there's another element to the equation to thrive, to be leaders in what I believe will be a global golden age for manufacturing: showcasing to the world not just our products, our capabilities, our talents, our innovations but the strength of the values I just talked about. And that's why the Hannover Messe is such an incredible opportunity this year and, no question, next year when the United States is the partner country. It's an opportunity for you, for companies like yours and the others I represent—and the United States—to put what we do, who we are on the global stage.

We're the best salespeople for our products and our ideas. We need to be where people are buying and seeing what the future holds.

Having been to the Hannover Messe, I've seen firsthand how manufacturers can directly engage new business, network, share information and discover trends that will shape competitiveness and growth.

And we're thankful to Siemens for its leadership role in making the Hannover Messe the world's premier—what I'll call—innovation conference.

Back in the United States, manufacturing is making a real resurgence. It's time for the world to see what exactly we mean by that.

Thank you for the opportunity to be with you today.