

**Remarks Prepared for Jay Timmons
President and CEO, National Association of Manufacturers
State of Manufacturing Tour: Charleston, SC
Trident Technical College
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Good afternoon. It's great to be here in this historic city and to be with students and educators, as well as leaders of this state.

We're grateful that Senator Tim Scott joined us earlier today, and appreciate his participation in this program and for his leadership in maintaining our nation's mantle of economic leadership.

I want to also thank a number of people for joining us, including...

...Dr. Mary Thornly for welcoming us to Trident Tech, and for the work you do every single day to equip the next generation of innovators and dreamers.

...South Carolina Secretary of Commerce Bobby Hitt, for your leadership as a champion for manufacturing and opportunity.

...Ted Pitts, for your partnership and tireless advocacy.

...Eric Spiegel, for being here and for sharing your insights. Siemens continues to make great contributions here in America, not just through the people you employ and the work you do—but also through the Siemens Foundation's investment in building a 21st century manufacturing workforce.

Also, I want to recognize Anita Zucker, Chair and CEO of The InterTech Group, and a generous supporter of Trident Tech.

I'm here today to share with you the State of Manufacturing in the United States. Why manufacturing? It's simple really. It's because the strength of manufacturing in America is responsible for the success of America in the world. That is an indisputable fact. When manufacturing succeeds, America succeeds.

That may sound counterintuitive to some, and it belies the picture some would like to paint: that manufacturing means things of the past—old, gritty factories, simple tools and rudimentary machines. If that's the image the word "manufacturing" conjures in your mind, then, ladies and gentlemen, it's time to introduce you to modern manufacturing.

Today's manufacturing is vastly different from yesterday's. Just a quick look at some of our members companies' work will show you: modern manufacturing touches every aspect of our lives.

For example, I just visited Boeing in North Charleston, where the impressive Dreamliners are being produced...And in the foothills of the Blue Ridge, South Carolinians at BMW are building hundreds of thousands of vehicles a year and exporting to 140 countries.

But innovative manufacturing is everywhere...from the advances in sustainable paper products from Domtar and International Paper...

...to the new material developed by Milliken and Company that will allow windmill blades to last longer and capture more energy.

From the precision parts produced by Timken and Bommer Industries...

...to the vast new world of the Internet of Things, where everyday objects are now digitally interconnected.

First it was our phones. Then it was our thermostats, our watches, our cars. Soon it will be everything from our contact lenses to entire homes, where companies like Westinghouse are making the “digital home” a reality with advanced security that can be managed with a touch of a button from anywhere in the world.

That’s the Internet of Things...and that’s modern manufacturing.

By 2020, 26 billion objects will be linked together by the Internet. Manufacturing is truly changing everything...and all these things are changing America and changing our lives.

That’s why, today, manufacturing in the United States is leading an innovation revolution—a revolution that will win us jobs, raise standards of living and restore our mantle of leadership around the world.

It’s a revolution that will be on display this coming April—at the world’s largest industrial trade show in Hannover Messe, in Hannover, Germany. This year, the United States is the official partner country for the event, which last year drew 220,000 trade visitors to see the latest technologies and new frontiers of digital integration in manufacturing. And the NAM, partnering with the U.S. Department of Commerce and Siemens, is working on rallying more American manufacturers to participate—and to demonstrate our global leadership.

Of course, this leadership is already on display across America, as more than twelve million people are building our future in our industry. And manufacturing is adding more than \$2 trillion to the national GDP.

Here in South Carolina, manufacturers employ nearly 12 percent of non-farm workers and contribute over \$30 billion to the state economy.

And get this important data point: For every \$1.00 spent in manufacturing, another \$1.40 is added to the economy. It's why manufacturing improves our way of life and builds communities.

So, you see, the state of manufacturing matters. It matters for the state of our union.

But obstacles are still in the way of forging an economy that lives up to our people—and to the potential we can unleash.

Unavoidable headwinds, like global economic weakness and worldwide instability, have roiled manufacturing. While this will be slow to change, our leaders right here in our own country have the power to fix other self-imposed barriers to opportunity and success. They can fix policies in Washington that imperil our promise.

These barriers exist because Washington hasn't yet summoned the will to change them. And because "We The People," in some ways, haven't done enough to fight for manufacturing as essential to American Exceptionalism and our future.

Just as "American Idol" is entering its final season this year, it's also time to stop selecting political candidates based on how they sound, rather than what they can actually do for manufacturing and our country.

If you listen to the candidates out campaigning, whether it's in the final hours before today's Iowa Caucuses...or here in South Carolina for the First in the South Primary, they all support manufacturing...at least rhetorically. The same is true of many of our leaders.

But, words alone won't create jobs or equip students. It takes action. That's something Governor Haley and Secretary Hitt know well. Creating the right climate for economic growth takes the right policy agenda.

At the NAM, we want to make it easy on our leaders. We're spelling out exactly the right policies for manufacturers to compete and win, so that America can compete and win.

Last week, we unveiled our 2016 Agenda for Economic Growth and American Exceptionalism.

"Competing to Win" is an agenda that is guided by four core values that also happen to be foundational principles of this country that we love.

The first of these is free enterprise: powerful market forces that drive innovation and growth better than any system ever conceived in the history of mankind.

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

The third is individual liberty: the creativity and entrepreneurship unleashed by protecting, defending and advancing the basic freedoms enshrined in our Constitution and Bill of Rights.

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

Every policy proposal supports these principles—which are also the values that have made and that will keep America exceptional.

Our message is this: If a candidate wants to be a manufacturing president...if Congress wants to energize the manufacturing economy....if you want to be a manufacturing voter...this is the agenda.

We zero in on 11 areas:

- tax;
- trade;
- energy;
- environment;
- transportation and infrastructure;
- labor;
- immigration;
- workforce;
- health care;
- research, innovation and technology; and
- regulatory and legal reform

That's more topics than we have time for here....so I'll focus on just three...starting with a big one. Taxes.

To unleash a wave of growth—and create new jobs for students like you, we have to fix our broken, decrepit tax code. Companies in America pay a higher tax rate than their competitors in every other developed, major economy.

We want to lead in the global economy, but our tax code means we're starting from behind.

Comprehensive tax reform means...

- 6.5 million jobs added to the U.S. economy over 10 years;
- Lower tax burdens for companies of all sizes, including the millions of small businesses that drive job creation in America;
- Driving down the corporate rate to 25 percent or lower; and
- Moving away from a seemingly prehistoric tax system that taxes worldwide income...to a modern, territorial system so U.S. companies can compete on a level playing field when they do business overseas.

We can't let Congress or the president kick the can down the road any further, and we must demand a cooperative approach.

A model is that of President Ronald Reagan...who in his second term worked with, rather than around or against Congress, to enact comprehensive tax reform.

But we can't stop with taxes. Our regulatory and legal systems are also broken. In fact, our legal system is more than twice as expensive as major competitors such as Japan, France and Canada. And the total cost of federal regulation exceeds \$2 trillion each year and is on the rise.

Manufacturers bear a disproportionate share of that burden. Regulatory compliance costs for small manufacturers with fewer than 50 employees total almost \$35,000 per employee per year—more than three times the cost for the average U.S. company.

That's money that could be spent on paychecks or new hires. So what do we do about it?

Well, we could follow South Carolina's lead. Governor Haley has done a lot to simplify regulation. She brought in the job creators who understand these burdens firsthand, and they reviewed some 3,000 state regulations and recommended improvements.

This wasn't just a feel-good exercise. Their ideas are now the basis for executive and legislative remedies—and they're working.

There's a reason more South Carolinians have jobs today. There's a reason more than 26,000 new manufacturing jobs have been announced, and the state continues to recruit more jobs. There's a reason why Boeing and others are investing billions of dollars here to create state-of-the-art facilities. We can find solutions to drive growth, if only we find the will first.

We also need to use that will to strengthen our workforce.

Over the next decade, we will need to fill an estimated 3.4 million manufacturing jobs. But 2 million of those positions will likely remain empty because there's a shortage of workers with the right skills—often high-tech skills.

It's what we call the "skills gap." It affects all of us in lost innovation and productivity.

It also represents a missed opportunity. The average manufacturing worker earns over \$79,000 annually – \$15,000 more than the national average.

So why aren't more students preparing for manufacturing careers? Part of the problem is that only 37 percent of parents encourage their kids to do so. And only 18 percent of people see it as a top career choice.

One way that perception will change is by updating and invigorating our training programs. We should make it easier for students to earn industry-recognized credentials in schools...to acquire the skills the real world demands. Trident Tech is doing this. You're leading the way. Others need to learn from you.

Our Manufacturing Institute is focused on this challenge. Executive Director Jennifer McNelly is here with us today, and she works every day to tackle these challenges—changing perceptions and equipping students.

If we take steps like these to close the skills gap, we will enable a new generation of workers to achieve great things for their communities and this country.

That's what all of this is about—helping people build better lives.

To offer the mom living in the Upstate a job to provide for her children today and her retirement tomorrow...

To give the family in the Midlands the chance to advance and improve their standard of living...

To ensure the veteran coming home to the Lowcountry can enjoy the freedom she defended for all of us overseas...

And to give communities a foundation for growth and hope for tomorrow.

Throughout America's history, manufacturers have made our country stronger by the people we employ, the lives we touch and the products we make.

Today, building a stronger country requires something else: bringing the right leaders together to get the job done...people who believe in those four foundational principles of free enterprise, competitiveness, individual liberty and equal opportunity.

You know, leading our great nation is about more than who can yell the loudest, or who can denigrate others most, or who can express the least desire to work across ideological lines. No, true leadership that is worthy of the promise of America brings out the best in all of us. A great leader unites. He or she doesn't divide.

That is why manufacturers are raising our collective voices—the more than 12 million voices in the Manufacturing Army—to speak out...and take a stand. We need you to join us—to question candidates and to vote for those who support real solutions and real leadership.

We're manufacturers. We make things—incredible, life-changing things. And now, it's up to us to make a difference again—for the future of our country.