

**Remarks Prepared for Jay Timmons  
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State of Manufacturing Tour: Manchester, N.H.  
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Good morning. It's great to be here in New Hampshire at this exciting time. The eyes of the nation, even the world, are on your first-in-the-nation primary.

With the steady stream of candidates passing through the doors of the Institute of Politics, the eyes of the world have also been on Saint Anselm. So what a privilege to join you.

Neil [Levesque], thank you for welcoming us. And Jim [Roche], thank you for the introduction—and for your leadership for manufacturers and the business community here in New Hampshire.

I'm grateful to have two NAM board members with us: Doug Starrett, president and CEO of the L.S. Starrett Company; and Don Welch, president of Globe Manufacturing Company.

Bill McCourt, president and CEO of the Rhode Island Manufacturers Association, thank you for coming—and for your partnership.

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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 come with me, ladies and gentlemen. It's time to introduce you to modern manufacturing.

Today's manufacturing is vastly different from yesterday's. The National Association of Manufacturers has more than 14,000 member companies, from world-recognized brands to family-owned small businesses, and we are the voice of more than 12 million working men and women, their families and the communities they build.

Just a quick look at some of our members' work will show you: modern manufacturing touches every aspect of our lives.

From 3M's strides in the food safety field to reduce pathogen outbreaks...

...to Amgen or Bayer's research and production of cancer-fighting and life-improving medicines.

From Boeing's unmanned airborne vehicles that provide security, disaster relief and search and rescue...to Lockheed Martin's defense equipment...keeping our men and women safe as they defend our freedom.

We're talking about everything from a small firm turning recycled materials into sustainable packing...

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

First it was our phones. Then it was our thermostats, our watches, our cars. Soon it will be everything from our contact lenses to our entire homes...from smart wallboard, to autonomous automobiles, to transcontinental pipelines.

Thanks to Honeywell, for example, you can control your home security, lighting and energy management with the touch of a button from around the world.

And thanks to a new initiative from AT&T and its corporate partners, major U.S. cities will turn into "Smart Cities"—linking infrastructure in a digital ecosystem to improve energy use, traffic flow, crime reduction and more.

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

By some estimates, 26 billion objects will be linked together by the Internet by the year 2020. 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.

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While more than 12 million people across the country work in manufacturing, our sector supports another six million jobs in other areas. Our industry contributes more than \$2 trillion to national GDP. If U.S. manufacturing were its own country, it would be the ninth-largest economy in the world.

Here in New Hampshire, manufacturing adds about \$7.7 billion to the state economy. And over 10 percent of New Hampshire's non-farm workforce is employed by manufacturing.

We are the backbone of the economy, and we have the biggest multiplier effect of any industry. For every dollar invested in manufacturing, another \$1.40 is added to the economy. It's why manufacturing—more than any other industry—improves our way of life and builds communities.

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

Every day across this country, manufacturers go to work, competing to win. New technologies, affordable energy and world-leading productivity have given the United States a competitive advantage in the global marketplace. 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 at this moment 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.

Of course, if you listen to the candidates who are out campaigning today—here in New Hampshire and elsewhere—they all embrace manufacturing and pledge their support...at least rhetorically.

And the same is true of many of our leaders in Congress and state capitals—and among the general public. By and large, we all believe in standing with the great men and women who make things in America.

But words alone won't change the business climate or create more jobs. We need the right public policy agenda for that.

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.

Today, we're unveiling 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.

This document outlines how policymakers can help our industry, our economy and our country reach our full potential. 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.

It goes into great detail on policy specifics—more detail than we have time for this morning.

But our message is this: if a candidate really wants to be a manufacturing president, this is the agenda.

If Congress wants to energize the manufacturing economy, this is the legislative checklist.

And, if you want to be a manufacturing voter, this is your guide to the issues that affect our livelihood and our families.

Start with taxes. To unleash a wave of job creation and growth, 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.

Isolation does not work. Just ask the North Koreans. We live in a global economy, one we were the catalyst to creating in order to lift the fortunes of all people around the world.

Our tax system needs to recognize that reality and so does our trade policy.

That's why our trade agenda has to be robust and forward-leaning. We can't rely on the U.S. market as the sole source of growth when 95 percent of our potential customers live outside our borders. We need to kick down longstanding trade barriers to open markets abroad, in order to create jobs at home. And then we need to get to work improving our own U.S. rules to promote greater competitiveness and access overseas.

Manufacturers have a proud history of advocating for free trade. But we are a nation of laws, and we demand adherence to international trade commitments and rules to ensure fair trade.

It's a similar story in the energy world.

Our access to diverse, affordable and reliable energy is a tribute to American innovation. Because we now have access to a wide array of domestic energy sources that was once unimaginable, we have the potential to be far less reliant on others for our energy needs and to be

able to export energy to other countries. In this area, Washington's policies need to be recalibrated to propel us forward.

To keep our energy supply reliable and affordable, we can't pick and choose among energy sources. We need to encourage the use of all of them.

Our leaders can approve and build new oil and natural gas pipeline projects that improve energy access—particularly in the Northeastern United States, where this infrastructure is lacking. And they can support measures to enhance the deployment of energy-efficient technologies.

And that last point—energy efficiency—brings us to the environment.

Manufacturers are not only committed to protecting the environment through greater sustainability and reduced emissions, we are leading the way.

The United States has reduced its greenhouse gas emissions over the past decade more than any other nation, and that reduction has been led by manufacturers who have reduced greenhouse gas emissions by more than 10 percent since 2005. Ozone levels are down 25 percent since 1990, and they continue to fall. All this has happened while manufacturers' value to the economy has more than doubled.

Manufacturers are eager to continue leading the way. In order for us to do that, we have to strike a balance between our laudable ambitions for improving our environment and what is actually commercially feasible. America should be, and can be, an economic and environmental leader.

Lawmakers need to work together to commit to modernizing outdated environmental laws written during a bygone era known for rotary phones and the Beatles. We can't build a sustainable future if we're coping with laws written for a nation and world that, frankly, no longer exist.

Likewise, we aren't going to build a modern economy when we are relying on a frail and crumbling infrastructure.

Go elsewhere in the world and you will be a witness to the most up-to-date infrastructure and intermodal systems that exist. But here in America, congestion and deteriorating roads threaten not only our quality of life but also our very ability to compete economically.

Late last year, we saw some green shoots of progress when Congress finally passed a multiyear surface transportation authorization bill.

But that success was nearly a decade in the making. We need more. We need greater commitment to build the system of the future.

Our ports and inland waterways need to be upgraded to remain world class, and the U.S. aviation system, which catapulted the connectivity of nations and people, must remain second to none. If we don't keep moving forward, transporting people and products in America will become slower, costlier and riskier. We can do better—and create jobs along the way.

But let's cut to the chase: more and better jobs are exactly what officeholders and candidates should have as their number-one priority. There is no contest. There are no more creative, conscientious, industrious or productive workers than right here in the U.S. That's something to

celebrate. That's something to build upon. And to do that, we need labor laws and workplace regulations that reflect the dynamics of modern manufacturing.

The 21st-century workplace must incentivize employees to remain in the manufacturing sector. Compensatory time off, flexible work arrangements...these are contemporary ideas that work.

Now over the past seven years, we've seen some regulations from the National Labor Relations Board that are doing the exact opposite...making doing business more expensive and hiring workers more difficult. But it's understandable when you have members of the powerful board who have never run a business and had to grow jobs.

Our people and our economy are strong because of our diversity as a nation as well. Here's a fact, whether some candidates like it or not: we are a nation of immigrants. We attract the best and the brightest, the most industrious, to our shores. So let's quit pretending that xenophobia is somehow good for our nation. Instead, let's acknowledge that our immigration system is broken. Let's fix it and get it right.

Instead of hostility and vitriol directed at 12 million human beings who happen to be undocumented, let's figure out how to enable them to contribute to America's success. Let's advance a rigorous and fair employment verification system....Institute a border security plan that allows for free trade and improved security....Increase the number of employment-based visas....Streamline the employment-based green card system and allow for those that are unused to roll over from year to year.

Our country thrives when we meld cultures and build communities. And manufacturing thrives when we have access to a skilled and productive workforce. Over the next decade, we will likely need to fill 3.4 million manufacturing jobs.

But 2 million of those jobs are going to go unfilled because there's a shortage of workers with the right skills—often high-tech skills. That's what we call the “skills gap.”

Part of the problem is that only 37 percent of parents encourage their kids to pursue manufacturing careers, and only 18 percent view manufacturing as a top career choice. One way that perception will change is by updating and invigorating our training programs.

Industry partnerships between companies and schools need to increase, and curriculum needs to better align with work-based learning opportunities.

And in the world of cyber-learning, let's quit protecting old ways of learning and make credit transfers simpler—so that it's easier for students to earn the credentials they need.

Failing to close the skills gap affects all of us. It means lost innovation and lower productivity. It represents missed opportunities. Manufacturing jobs, on average, pay better. The average manufacturing worker earns over \$79,000 annually, about \$15,000 more than the average worker across all sectors.

Of course, updated skills is one factor for a productive workforce. So, too, is health care. Just like for families across the country, escalating health care costs continue to be one of the top concerns for manufacturers.

Congress made important strides last year when they suspended the medical device tax and delayed a tax on employee benefits.

The next step is to decrease costs and increase savings for working families. That means higher contribution limits for health savings accounts so each and every person can be given a benefit for financially preparing for their health-related expenses.

For employers, modifying the Affordable Care Act to get rid of unnecessary administrative burdens and promoting wellness programs will further our goal for a healthier society.

Government policy shouldn't limit the options that are offered to employees. But as coverage becomes more and more expensive, that is exactly what is happening. Quality of life matters, and we need to get health care policy right—and soon.

A better, brighter future and more rewarding quality of life are also made possible by our ability as a nation to invest in research, innovation and new technology.

Manufacturers account for more than three-quarters of private-sector spending on research and development. That R&D has brought us new sources of energy, new lifesaving medicines and medical devices, more efficient automobiles and so much more.

We have an obligation to the next generation of Americans to continue leading the way, encouraging innovation and progress.

Last year, Congress finally made the research and development incentive a permanent part of our tax code. That sent a loud and clear message to the world that we are not done inventing the future. Now, let's protect the products that result from innovation.

As international trade agreements are negotiated, our leaders must never back down from our commitment to strong intellectual property protections. Manufacturers must have the ability to defend ourselves against trade secret and intellectual property theft.

And that brings us to the final piece of our agenda: regulatory and legal reform.

It's pretty straightforward: Our legal and regulatory systems are broken. In fact, our regulatory system costs \$2 trillion, while our legal system is more than twice as expensive as major competitors like Japan, France, Canada and the United Kingdom.

Look: smart, transparent and effective regulations are important to a successful system of free enterprise. But manufacturers today bear a disproportionate share of the burden of regulatory compliance costs.

For small manufacturers, regulation costs total almost \$35,000 per employee per year—more than three times the cost for the average U.S. company.

What can we do to bring about a better, commonsense-based approach to regulating? Well, first we streamline the regulatory system. We are committed to protecting our health and safety, but we should sunset outdated and ineffective regulations. Second, we ought to be holding independent regulatory agencies accountable to improve transparency. And third, Congress needs to step up and provide its own regulatory review and analysis, instead of abdicating that responsibility to the executive branch.

And when it comes to our legal system, we need to respect the fact that we are a nation of laws, but no one should be permitted to abuse the system with frivolous lawsuits. Lawyers who do that should be slapped with mandatory penalties. Limits on punitive damages, venue shopping and

out-of-balance, plaintiff-biased jurisdictions are critical components of a competitiveness agenda as well.

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Now, that's a full plate of priorities. But ultimately, they are critical to our success as a nation...empowering us to pioneer the future—to let people build better lives.

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

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

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

And to give communities across this state and this country a foundation for growth and hope for a brighter 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. We need to elect and support people who believe in solutions—and those four foundational principles: 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 appeals to our aspirations as a people. He or she builds trust and inspires us to tap our highest ideals of freedom, democracy and liberty...to unleash our innate desire to build higher, work harder and succeed more than any nation on Earth...all while lending a hand to help others rise from despair and poverty to realize their own God-given potential and talent.

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.

Thank you so much.