

**Remarks Prepared for Jay Timmons
President and CEO, National Association of Manufacturers
State of Manufacturing Tour: Philadelphia, Pa.
GlaxoSmithKline
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Good morning. It's great to be here in this historic city – the birthplace of American democracy. What a privilege to speak with people who are doing so much to help others across the country and around the world live longer, healthier and more productive lives.

It's an honor to share this stage with Jack Bailey and David Taylor. Thank you for welcoming us—and for all you do to advance manufacturing.

It's also great to see so many NAM members in attendance. Thank you for your commitment to the future of our industry. I also want to recognize our NAM board members here:

- Julie Copeland, President and CEO of Arbil
- Eric Norris, President of Health and Nutrition at FMC Corporation
- and Quentin Roach, Chief Procurement Officer and Senior Vice President at Merck & Co.

as well as ...

- Mark Scarduffa, Vice President of U.S. Government Relations & Public Affairs for Pfizer, and chair of the NAM's National Public Affairs Steering Committee; and
- our key partners and allies:
 - Fred Anton, Chairman of the Pennsylvania Manufacturers Association;
 - Gene Barr, President and CEO of the Pennsylvania Chamber of Business & Industry; and
 - Michele Sierkerka, President of the New Jersey Business and Industry Association.

Thank you all for your leadership and your presence.

I'm here to share with you the State of Manufacturing in the United States. Why manufacturing? Because the strength of manufacturing in America is responsible for the success of our families and our communities. When manufacturing succeeds, our economy succeeds.

That may sound strange to some. It's a common misconception to think 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, let me introduce you to modern manufacturing.

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

From FMC Corporation's crop protection technologies that help put affordable food on our tables...

...to Campbell Soup's efforts to promote global nutrition and Crown Holdings' contributions to sustainable food packaging.

From GlaxoSmithKline's research and production of life-improving medicines and vaccines...

...to Air Products and Chemicals' exciting developments in bioenergy and CO2 capture.

From our homes, where companies like Saint-Gobain and Armstrong World Industries are delivering attractive, long-lasting, sustainable, and innovative materials for construction, interiors and more...

...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.

TE Connectivity, for example, is automating and optimizing the systems which connect vehicles, infrastructure and people in the public transportation sector.

Meanwhile Honeywell lets you control your home security and energy management with the touch of a button from around the world.

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

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

And that is why, today, manufacturing in the United States is leading an innovation revolution—a revolution that will win us jobs, strengthen working families and restore our standing around the world.

Here in Pennsylvania, manufacturers employ nearly 10 percent of non-farm workers and contribute nearly \$80 billion to the state economy. Nationwide, we employ over 12 million men and women—and contribute more than \$2 trillion to the national economy.

And get this important data point: For every \$1.00 invested in manufacturing, another \$1.40 is added to the economy.

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 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 out campaigning, they all support manufacturing...at least rhetorically. The same is true of our leaders in Congress and state capitals—and among the general public.

But, words aren't enough. Creating the right climate for economic growth takes the right policy agenda.

At the NAM, we want to make it easy. We're spelling out exactly the right policies that will empower manufacturers...to compete and win.

Our "Competing to Win" agenda is a policy roadmap guided by four core values, which are also foundational principles of the country we love.

The first is free enterprise: 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 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, and 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 two...starting, appropriately, with healthcare.

It's an issue that has become so riven by political discord, we are losing sight of our end goal...giving workers and families affordable access to high-quality healthcare to keep them well.

This is something NAM cares deeply about. NAM members offer employee health insurance coverage at a higher rate than other industries. In fact, 97 percent of companies supply it.

Now part of the challenge is making sure we prescribe the right medicine for healthcare. Here at GlaxoSmithKline, you understand matching the intervention to the patient. When treatments rely on our own genes to spark the right immunological response...well, it doesn't get more individualized than that.

Personalized treatment is the trend in medicine. On the policy front, however, there's some movement in the opposite direction—away from the individually tailored and toward the one size fits all.

This poses a challenge. The better...and less expensive...way forward will be to minimize restrictions and increase flexibility.

For example, we could encourage new models, so employers can have a sustainable way to contribute to the cost of insuring employees and their families.

We could promote options like private healthcare exchanges, self-insured plans, flexible reimbursement arrangements, direct primary care and strengthened health savings accounts.

New thinking in health coverage will take us a long way, but we won't reach our destination of affordable care until we tackle medical liability. Our legal system is one of this country's greatest problem areas, in the medical field and beyond.

Medical liability costs alone drains us of more than \$55 billion annually. Our leaders must not shy away from reform.

It's also time to support the modernization of approval processes for medical devices, pharmaceuticals and biologics, which would reduce costs and speed safe, innovative treatments from the laboratory to patients.

This is part of the Research, Innovation and Technology plank of our agenda.

Manufacturers account for more than three-fourths of private sector R&D. We've been awarded more patents than any other industry.

To secure our competitiveness, we must respond with a policy environment designed to attract and retain investment...and with strong protections of intellectual property.

We must be vigilant and push back on aggressive state legislatures that want to require pharmaceutical manufacturers to turn over and reveal highly sensitive operational information—such as pricing on specific products, marketing costs, research investments and funding streams that support new and product development. It's a misguided effort that will sap innovation, and it's of great concern. No manufacturer should have to provide an unprecedented view of proprietary operations or its most sensitive information. Manufacturers will not accept this, nor will we sit quietly.

Intellectual property rights must also be a central issue in trade agreements. As we work to open new markets, we cannot allow our hard-won innovations to be appropriated by our competitors. And as we champion the Internet of Things, we'll need to modernize our communications laws to fit this new era and find new ways for ensuring our cybersecurity.

If we do these things, then manufacturers can continue leading an innovation revolution with that benefits our people, our economy and the world.

And ultimately, that's what all of this is about—empowering manufacturers to pioneer the future. So we also need to address those other important areas:

That means eliminating trade barriers so our companies can reach the billions of customers outside our borders...and addressing persistent infrastructure issues with our ports and waterways so we can efficiently transport products overseas.

It means using every source of affordable, reliable energy. With our abundance of diverse resources, the United States has the potential to chart an energy future that raises the standard of living for all.

We are a nation of immigrants, so it's time to fix all parts of our broken system to boost our economy and fulfil a moral obligation.

And it's time to reform our expensive and outdated legal system, regulatory system and tax code—which are costing us in the form of lost jobs and opportunity.

These and other priorities outlined in greater detail in our agenda are about helping real people build better lives.

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

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

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

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

Throughout history, manufacturers have made our economy stronger by the people we employ, the lives we touch, and the products we make. Today, building a stronger economy requires something else—bringing the right leaders together to get the job done.

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. A great leader appeals to our aspirations as a people. 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 and support 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 and our world.

Thank you so much.