

Timmons' Testimony before Washington State Senate Committee

February 9, 2015

Mr. Chairman and distinguished Members of the Committee: Thank you for the opportunity to appear before you today to discuss issues of opportunity and concern to manufacturers not just here in the Evergreen state but to all manufacturers in the United States.

I'd like to thank Kris Johnson and the Association of Washington Business for helping to arrange this important hearing.

I'm so proud to go to work every day leading the National Association of Manufacturers – the unified voice of manufacturing in America – because I'm proud to be associated with innovators and problem-solvers. And it's you – our state partners – who play the indispensable role of fortifying the manufacturing army and amplifying the story of manufacturing's revival. We are better together.

Mr. Chairman, my message to you today is simple: Today, manufacturing is as resilient and robust as ever – and that's why, once again, America is rising.

Look at manufacturing's direct impact on the economy. We are creating more jobs, making more products, and making them better than ever before. Every year, manufacturing now contributes more than \$2 trillion to the American economy – and supports nearly a million jobs here in Washington.

Yet we can't underestimate manufacturing's indirect influence, too: Manufacturing has the biggest multiplier effect of any industry. Every manufacturing dollar in America adds one dollar and thirty-seven cents to the economy – nothing else comes close. And a single manufacturing job can lead to the creation of three to five more jobs in other industries. What a great return on investment that is.

Manufacturing improves people's lives not just through the products we make, but through the economy we strengthen. So manufacturing has a disproportionate responsibility to keep our economy humming.

But there's another side to this coin – and that's where we also need your help. All of this good news also means that when our policymakers choose wrongly, don't act or sit idle, the missed-opportunity costs are higher for our sector.

We all suffer when our policies do not match our principles—chief among those the four principles that built our nation, and empowered our industry to make America great: free enterprise, competitiveness, individual liberty and equal opportunity. Holding true to these principles doesn't just matter to CEOs and workers – it matters to every single American consumer, family, and job-seeker.

Our workers are the best and most productive in the world. I believe they should have the best environment in which to innovate, invent and invest. And there are still speedbumps slowing us down – so let's get rid of them.

We need a sane regulatory environment, competitive taxes, free and fair trade, 21st century infrastructure, new-generation workforce, health care reform, legal reform, and a truly “all-the-above” energy policy—the menu is long because the moment is significant.

Now, the Pacific Northwest plays a unique role in promoting trade and growing markets for manufacturers abroad. When trade is disrupted, the ripple effect across our economy is felt first here. Those ripples have been – unfortunately – all too apparent lately.

The slowdown at our West Coast ports slams manufacturers. You know this well.

The challenge of managing inventory has forced one global manufacturer with plants in multiple states to limit overtime for thousands of its employees in January and February – and in some cases, it's eliminated overtime completely. That means millions of dollars in lost wages.

The other Washington has to act, of course – the administration should increase pressure on the parties to resolve the slowdown. But everyone—including lawmakers here— has to encourage the parties to reach an agreement to return the ports to normal business operations – so that we can eliminate this uncertainty, and keep global commerce moving.

Last year, limited port capacity for agricultural exports hurt farmers not only in Washington, but also manufacturers of tractors, of trucks, of fertilizers, and many other industries that support those farms.

And in the near future, without timely action by state policymakers, the Northwest could lose billions in new privately funded port investments. Manufacturers are closely watching the expected draft findings of an environmental review later this year for each of the two proposed coal export facilities in Washington. The oil intermodal terminal in Southwest Washington, under state and Federal review, is also of concern.

These investments are designed to meet long-term and growing national and international demand for the affordable and responsibly developed energy supplies made right here in North America. New facilities will grow the region's capacity to open new markets and benefit all consumers. And in bringing new business to Washington ports and facilities, these projects will support existing Washington manufacturers that rely on healthy, competitive ports to access raw materials.

The Pacific Northwest is America's most competitive gateway to the Pacific Rim nations. A strong, growing, and vibrant market for goods and commodities there ensures future generations of opportunity for companies and workers here.

Let's be clear: any factor – be it regulatory failure, politics, or trade barriers – that hinders the export of American goods to the Pacific Rim, ultimately harms workers in Washington and in America. If we do not actively grow exports – for all goods and commodities – we will watch those jobs and opportunities needlessly lost to competitors abroad.

Manufacturing's best days can still be ahead of us. New technologies like 3-D printing, nanoscale chemistry, energy efficiency, satellite technology, game-changing innovations from Microsoft, composites being used at advanced manufacturing companies like Boeing and BMW, medicines that are saving lives – that's a part of manufacturing today.

We've come a long way since my grandfather left the family farm to stand in line for six months at the local paper plant in Chillicothe, Ohio. He went back every day until he got the job that would move my family into the middle class.

Manufacturing is about people, like my grandfather. It's about people who stay true to, and rise with, the principles of free enterprise, competitiveness, individual liberty, and equal opportunity.

When the world needs America to help make it out of a rough patch, it's manufacturers in the United States who make the things that make it happen. They're the ones who make anything possible.

But like any good manufacturing process, none of what we do, and what we make possible, happens on its own.

We need to put the right pieces in place. That starts with the right public policy – one that advances manufacturing and keeps America as exceptional as ever – the world’s best example of opportunity and optimism. I know that you want to enact the best public policy for your constituents and the state. Manufacturers of the United States and across Washington are also relying on you.

Thank you very much.