COMPETING TO WIN
Manufacturing contributes $2.37 trillion to the U.S. economy annually, has the largest economic multiplier of any major sector and accounts for 63% of all private-sector research and development in the nation.
The National Association of Manufacturers works for the success of the more than 12.8 million men and women who make things in America, representing 14,000 member companies—from small businesses to global leaders—in every industrial sector.

But more than just facts, figures and bottom lines, manufacturers are innovators and inventors who have a vision for the future and the drive to make it real. From new technologies and lifesaving medicines to sustainability solutions and humanitarian breakthroughs, manufacturers lead the way toward tomorrow. The right federal policies alone are not sufficient to power the industry’s innovative engine, but they are critical components of it. “Competing to Win” is a blueprint for the policies manufacturers in America will need to continue transforming the world for years to come.
When election season comes around, the decision facing Americans is about more than just red or blue, Republican or Democrat. Collectively, we all take stock of how far we’ve come and the successes we’ve achieved—as well as where we want to go and the challenges we’ll face along the way.

For manufacturers, this is a critical time. A slowing global economy, the growing workforce crisis, trade uncertainties and the prospect of rolling back some of the very policy provisions that have buoyed our economy have begun to weigh on the industry. But despite these challenges, manufacturers have continued to show that when lawmakers create conditions for manufacturing to thrive, the benefits extend beyond just individual companies but also to our communities and our country. Manufacturers have made meaningful investments in their workers and communities, using the tools provided to them to turn promises made into promises kept and improve the world around us.

As we always have, the National Association of Manufacturers is ready to work with anyone and everyone who is committed to the values that make America exceptional: free enterprise, competitiveness, individual liberty and equal opportunity. At our core, we believe these principles will further bolster manufacturing in America, giving us the best chance to spur more merit-based success in our country and raise standards of living across the world.

Free enterprise: a system unmatched by any other, where market forces drive innovation and growth.

Competitiveness: the level playing field manufacturers in the United States need and deserve to compete and win in the global economy.

Individual liberty: the rights inherently owed to each person. Upholding and respecting these rights unleashes creativity and entrepreneurship, with only ability and drive limiting an individual’s success.

Equal opportunity: a shared belief that every American contributes to our successes—those of our companies, our communities and our country.

These aren’t Republican ideals, and they aren’t Democratic ideals. They’re American ideals.

“Competing to Win” is the blueprint for policymakers, from manufacturers. For generations, the industry has been the backbone of the American economy, and this much should be clear: We know how to build solutions, and we know how to make history. Following this roadmap, our elected leaders can do both for years to come.

Jay Timmons
President and CEO
National Association of Manufacturers
As manufacturing goes, so goes our country. The industry is the heartbeat of our economy. With the largest economic multiplier of any sector, its success powers more than just shop floors. It also powers workers, families and communities across America.

This success is all made possible by an economic system that is uniquely American—one founded on free enterprise principles and recognizing that innovation, ingenuity and competition drive progress. Under this economic system, companies embrace their role in improving the world around them and the well-being of all Americans. The result has done more to enhance people’s lives than any other system ever conceived.

So, what does the success of this system look like?

It’s Hancock Lumber, a 171-year-old company in Maine, increasing employees’ wages, bonuses and the company’s 401(k) contribution, in addition to picking up 100% of the cost of annual health insurance increases.

It’s Bosch, a leading engineering company with 35,400 workers in North America, pledging to become carbon neutral globally by 2020.

It’s manufacturers across the country taking the tools provided to them through sound federal policies that spur business growth and using them to build a better future for the workers they employ, the communities they support and the environment we all share.

When workers have access to well-paying jobs, their lives improve; when communities are supported by businesses that are a part of the cultural fabric, our nation grows stronger; and when we all accept our roles as environmental stewards, we create a world that will be brighter tomorrow than it is today.

Achieving these goals takes a wholesale effort from everyone in America. For our part, manufacturers are ready to continue leading the way.

Michael W. Lamach
Chairman and CEO
Ingersoll Rand, plc
Manufacturers asked, and Congress delivered. After decades of inaction, manufacturers’ long-sought goal was achieved with the passage of tax reform, and the NAM’s five key priorities were included: a reduced tax burden on pass-through business income, a lower corporate income tax rate, key elements of a territorial tax system, retention of the R&D tax credit and adoption of incentives for capital equipment purchases. As a result, manufacturers have been paying forward the benefits. With a commitment to federal policies that build on those advances rather than roll them back, the industry will continue leading our workers, communities and country toward prosperity.

Adoption of a more competitive tax system has invigorated manufacturing in the United States. Manufacturers’ optimism reached record highs following tax reform’s passage, and this optimism has translated into action. After tax reform’s passage, output in the manufacturing sector reached an all-time high, and it has remained not far from that threshold. In addition, manufacturing job creation was the highest in more than two decades in 2018, and in 2019, job postings in the sector remained highly elevated.

Manufacturers are keeping their promise to use the tools provided to improve the world around them, using tax reform and regulatory certainty to grow the economy, create more jobs and improve the lives of hardworking families. But just as tax reform’s passage has helped allow companies to reinvest in their employees and operations, rolling back key provisions of the legislation would mean rolling back the climate for businesses to succeed. Lawmakers should commit to building on the promise of tax reform, and manufacturers will continue keeping their promise of paying forward the benefits.
Actions for Leaders to Take:

- Ensure that regulations implementing new tax provisions on income earned abroad and interest deductibility are appropriately limited and reflect congressional intent.
- Make permanent and expand the new 20% deduction for business income earned through a pass-through entity.
- Update and fix provisions of the tax law that make research and debt financing more expensive.
- Ensure that key incentives for capital equipment purchases remain in the tax code.
- Keep tax rates on business profits low and competitive.

A Tax Agenda for the Future Must:

- Recognize the significance of tax reform to our recent economic success and build on that progress rather than roll it back.
- Improve and make permanent the pro-growth provisions in the tax code that are set to expire.
- Continually reassess the competitiveness of our tax system.

Tax reform is an opportunity to level the playing field. We could tell in early 2018, immediately after tax reform, that activity was picking up, so we added a second shift and nearly doubled our workforce. Now we are adding over 12,000 square feet to our facilities to expand and debottleneck our operations, which will allow us to become more efficient and continue growing our workforce. If you want small businesses to grow and prosper in this country, we need laws like tax reform to improve the competitive landscape and help drive economic growth.”

—Mark Soucie, President and Owner, Ferroloy

Two-thirds of NAM members said they would need to consider reducing investments in the United States if tax reform were rolled back.

More than half said they would consider reducing U.S. employment or scaling back wage and bonus increases.

66% OVER 50%
Manufacturers of all sizes compete in a global economy, supporting American jobs and production through sales not only to U.S. customers but also to the billions of consumers outside the United States. In the face of growing overseas competition, technological changes and increasing uncertainty, manufacturers need policymakers to secure a fairer, more open and predictable international marketplace. Pursuing U.S. policies that improve manufacturers’ competitiveness and ability to reach new customers abroad will result in more American jobs and prosperity.

Expanding manufacturers’ global reach has been pivotal to improving U.S. competitiveness and increasing U.S. manufacturing production. This expansion has enabled businesses to raise wages and create more high-skilled U.S. jobs. Exports account for nearly half of U.S. manufacturing production and support the jobs of 6 million American manufacturing workers. Notably, America’s free trade agreement partners buy nearly half of all U.S.-manufactured exports. This highlights the important role free trade agreements play in aggressively opening markets, eliminating barriers and establishing strong standards, from protecting intellectual property to fostering fair competition.

The United States has no trading partnership more important than the one we have with Canada and Mexico, which purchase more U.S.-manufactured goods than our next 11 trading partners combined. That’s why manufacturers are committed to full implementation of the United States–Mexico–Canada Agreement to continue to grow that relationship. Elsewhere, due to the growth of powerhouse competitors across the globe, major technological shifts and trade distortions from countries big and small, manufacturers continue to encounter substantial challenges that are stunting growth and putting businesses in the U.S. at risk. The current rules-based trading system and the United States’ own trade tools simply have not kept up with the challenges and changes of the times. Of particular focus is China, which is one of the largest foreign purchasers of U.S.-manufactured goods, but also the source of substantial unfair trade and state-led industrial policies that operate to the detriment of manufacturers in the United States. Building on the industry’s strength, manufacturers need a more predictable, transparent and level playing field to compete—and win—in the global market.
“In today’s global marketplace, we rely on fair, open and predictable commercial trade rules. Our workers, suppliers and customers benefit from new international trade agreements and strong U.S. and global trade institutions. America’s manufacturing edge depends on innovation and access to new and growing markets.”

—John McGirr, Vice President of Global Manufacturing, Corning

**A Trade Agenda for the Future Must:**

- Modernize and open global markets to reflect the same principles manufacturers seek here at home: nondiscrimination, fairness, equal opportunity and competition.
- Improve America’s ability to eliminate foreign market-distorting practices.
- Improve U.S. global competitiveness, grow the economy and strengthen the industrial base.

**Actions for Leaders to Take:**

- Ensure full implementation of the USMCA.
- Negotiate cutting-edge free trade agreements and other trade agreements, including those with major U.S. trading partners, to provide certainty in the global marketplace, open markets for U.S.-manufactured goods, eliminate unfair barriers and set fairer and stronger standards.
- Enforce existing U.S. free trade agreements and trade rules.
- Recommit to and strengthen relationships with trading partners to reform and modernize international trade rules and institutions, such as the World Trade Organization.
- Support and continue to improve U.S. export promotion and export financing tools.
- Modernize U.S. and foreign customs operations to cut red tape and expedite legitimate trade in the United States and across foreign borders.
- Further modernize the U.S. tariff code, including the enactment of a new Miscellaneous Tariff Bill.
- Implement reforms to U.S. export controls and investment reviews to strengthen the U.S. economy and promote the development, manufacture and export of high-value-added U.S. products while addressing legitimate national security issues.
Energy: 
Strengthening Manufacturing by Capitalizing on U.S. Energy Leadership

The U.S. is the world’s leading energy producer, creating a major advantage for manufacturers in the global marketplace. Today, manufacturers utilize and benefit from all forms of energy—oil, natural gas, coal, nuclear and renewables—while making smart investments to become more energy efficient and protect the environment. Meanwhile, manufacturers are developing more technologies that make energy more affordable, reliable and cleaner with each passing year.

Manufacturers are leading the way in finding innovative ways to harness U.S. energy, and the right federal policies can significantly aid and advance that progress. The combined upstream, midstream and downstream unconventional oil and gas production processes—as well as the chemical industry benefiting from them—are projected to support more than 460,000 manufacturing jobs by 2020, rising to nearly 515,000 by 2025.

Despite the progress the industry has made, it still faces many challenges. Historically, the federal government has been inconsistent in its support for domestic energy development. Policymakers have not advanced a comprehensive plan that ensures an energy future with continued certainty for manufacturers. In recent years, the federal government has also used regulations to favor or disfavor certain fuels. This year-by-year instability makes it difficult for manufacturers to make long-term energy investments and capitalize on the nation’s energy advantage. The future of the manufacturing industry and our country’s energy security rely on clarity and certainty from policymakers. With a renewed commitment to America’s energy renaissance and a dedication to advancing new technologies that improve energy efficiency and support domestic energy production, the United States can continue to lead the world on energy for years to come.
Actions for Leaders to Take:

- Remove regulatory barriers that slow access and improvements to the variety of energy resources.
- Repair the broken permitting process for energy projects to minimize delays and reduce litigation.
- Expedite the legal and regulatory processes for exporting energy technologies.
- Provide access to federal lands for responsible energy exploration.
- Support measures to enhance the deployment of energy-efficient technologies in the public and private sectors.
- Provide for a reliable electric grid that ensures manufacturers can access energy when they need it, even as policies and markets change.

An Energy Agenda for the Future Must:

- Recognize that the U.S. is globally unique and has the potential to chart an energy future that benefits the entire nation, not just some regions.
- Ensure access to domestic and overseas markets so that fuels and technologies are developed here and marketed around the world.
- Prioritize technology and innovation to ensure manufacturers have access to reliable and affordable energy while the grid evolves, air quality improves and greenhouse gases are reduced.
- Provide manufacturers with the certainty that energy investments they make today will not be phased out before the end of their useful lives.

“...The strength of manufacturing is in large part a result of the United States’ energy resources and innovative technologies that are unmatched by any other nation in the world. America's energy advantage creates the ability—and lawmakers can create the conditions—for businesses to succeed, and manufacturers will continue doing our part to constantly diversify our energy portfolio.”

—Karl G. Glassman, Chairman and CEO, Leggett & Platt, Incorporated
Environment:
Creating a Cleaner, Safer and More Prosperous Economy

Manufacturers are keeping their promise to deliver responsible environmental stewardship through a commitment to improving sustainability practices, increasing energy efficiency and reducing emissions. The industry has led the way in driving a sea change in the way businesses address climate change and advance sustainable manufacturing in America, and the results are clear.

Over the past decade in particular, manufacturers contributed 18% more value to the American economy while reducing the carbon footprint of their products by 21%. A recent NAM survey showed that more than 80% of manufacturers either have or are developing corporate sustainability policies, programs or goals. Manufacturers have sharply reduced the industry’s impact on the environment through a wide range of innovations, such as increasing energy efficiency, saving and recycling water and implementing successful initiatives to reduce pollution and waste. The industry’s momentum is strong, and with new technologies being implemented every day, the future is unquestionably bright.

With the right federal policies and a balance between environmental ambition and commercial feasibility, manufacturers are proving we can have both a clean environment and a prosperous economy. However, when lawmakers adopt regulations that put manufacturers in America at a competitive disadvantage, the critical balance between environmental improvement and economic growth is lost, hurting our workers, businesses and communities. In the eyes of America’s manufacturers, the need to act on climate is no longer up for debate. At the same time, everyone wants clean water and clean air. Everyone needs a good job and an economy that delivers new opportunities and a better life. With federal policies that balance these goals with sound rules and regulations, manufacturers can continue leading the way toward a safer environment and stronger economy.
Over the past decade, manufacturers reduced the carbon footprint of their products by 21% while contributing 18% more value to the American economy.

“Manufacturers are committed to protecting and preserving the Earth we share. Overcoming the environmental challenges ahead will take a collective effort from businesses and policymakers alike. Manufacturers are working to let our example lead the way—and our results speak for themselves.”

—Michael W. Lamach, Chairman and CEO, Ingersoll Rand, plc

An Environment and Climate Change Agenda for the Future Must:

- Recognize manufacturers as the solution to emerging environmental challenges and build on the strong steps manufacturers have already taken to become more sustainable.
- Apply sound science and evidence-based approaches in new proposals.
- Appropriately balance the United States’ economic and environmental interests so that achieving one goal does not mean ignoring the other.

Actions for Leaders to Take:

- Modernize environmental laws and regulations for 21st-century environmental challenges.
- Pursue realistic, bipartisan legislative solutions to climate change that reduce emissions, promote innovation and new technologies and preempt the patchwork of various regulations and lawsuits.
- Improve the manner in which the federal government assesses chemical risks and communicates them to the public.
- Coordinate public–private sustainability efforts to develop and implement new technologies and solutions across the manufacturing supply chain.
- Ensure strong oversight of federal agencies and eliminate duplicative regulations or those for which risks are improperly assessed or costs outweigh benefits.
Manufacturers have risen to the occasion to meet great challenges, give more Americans a chance to improve their lives and build our nation for the future. Now, as the structures that support the movement of free enterprise and families are frail and failing—resting on a legacy built by previous generations—manufacturers are asking lawmakers to follow our example and strengthen the foundations that make our work and daily lives possible: our nation’s infrastructure.

Since President Dwight Eisenhower’s vision and leadership led to investment in an interstate system more than a half century ago, U.S. infrastructure investments have been neglected. Infrastructure investment today is only one-third of what it was in 1960 in terms of percent of GDP. However, after years of inaction, members of Congress have begun to work together to pass bipartisan infrastructure authorization bills for surface transportation, aviation and waterways. While these efforts have succeeded in maintaining the status quo, they do not present solutions to address chronic funding shortages or the backlog of projects of national and regional significance that have been on the to-do list for decades. Outdated infrastructure costs families $3,400 in disposable income every year and accounts for an almost $4 trillion GDP loss over 10 years. Manufacturers need lawmakers to deliver visionary, transformative infrastructure that can bolster the 21st-century economy. In “Building to Win,” the NAM’s blueprint for modernizing our transportation, energy, water and digital infrastructure, we have provided them with an outline for accomplishing these necessary upgrades.

Manufacturing workers in the United States, indeed all Americans, should refuse to settle for infrastructure that jeopardizes safety, wastes time and slows or shuts down shop floors. “Building to Win” calls for at least $1 trillion in much-needed new investment over the next decade. By following the manufacturers’ plan, federal lawmakers have the opportunity to strengthen the ties that bind us together as a country, improve commerce and communication and pave the way for the success of the next generation.
A Transportation and Infrastructure Agenda for the Future Must:

- Fully fund infrastructure investments to upgrade the systems that support modern manufacturers and achieve transportation efficiencies for families, communities and commerce.

- Promote safety and embrace the benefits of innovation in 21st-century transportation and infrastructure systems.

- Recognize the important federal role in overseeing, maintaining and investing in the nation’s transportation network.

"There is nothing more satisfying than connecting with, supporting and empowering our customers and dealers day in and day out. To ensure our products arrive at the customer site, we rely on roads, bridges, rails, airports, ports and waterways. Modern and efficient transportation systems allow us to do the work—the efficient flow of materials to suppliers, of parts in and out of our manufacturing plants and, ultimately, of products to our customer site is heavily dependent on our transportation systems. Building a better world starts with building a better infrastructure—now and into the future.”

—Denise Johnson, Resource Industries Group President, Caterpillar Inc.

Actions for Leaders to Take:

- Robustly fund infrastructure by unlocking the balance in the Harbor Maintenance Trust Fund and modernizing user fees, such as the federal fuels tax and passenger facility charge that support roadway and runway projects.

- Seek new forward-looking solutions that prioritize and inventory the growing backlog of essential infrastructure projects.

- Reform the broken permitting and approval system that adds years of unnecessary delay and costs to projects.

- Address the truck driver shortage by considering proposals that would harmonize interstate truck driver age minimums with current intrastate requirements.

- Keep transportation regulatory agendas in check so critical transportation services that manufacturers rely on are not hampered by additional red tape.

- Prevent unnecessary patchwork regulations that disrupt manufacturing supply chains.

- Continue the successes of public–private partnerships while recognizing that financing alone cannot replace public responsibilities or address all types of projects.

- Meet legislative deadlines to pass robust, long-term infrastructure legislation, including the September 2020 deadline for the surface transportation reauthorization.
Labor and Employment: Adapting Policies for a 21st-Century Workforce

The manufacturing shop floor has changed. Meanwhile, manufacturers in the United States face government-imposed challenges that are not faced equally by many of our global competitors. The U.S. will not maintain its mantle of economic leadership unless all labor stakeholders work together to ensure the best and most productive workplaces. Employees, organized labor, management and lawmakers should collaborate in search of outcomes that deliver a positive work environment, opportunities for employee professional growth and safe and healthy facilities.

Labor and employment laws must be modernized to account for advancements in worker safety and productivity and the changing nature of work. Regulators must also update their approach to account for the modern shop floor by enabling innovation and streamlining clunky and outdated regulations that stand in the way of a safer and more prosperous workplace. For their part, policymakers need to quickly adapt to the changing nature of work and avoid seeking one-size-fits-all policies that are no longer appropriate for the wide array of available work arrangements and duties. Manufacturers understand that well-functioning markets promote competitive wages, that equality of opportunity is essential, that equal work should earn equal pay and that workers should be guaranteed the freedom to associate or not associate with a labor organization without fear of intimidation or coercion.

Policymakers must update workplace laws and regulations to unleash the full potential of modern manufacturing and innovation and ensure that the U.S. remains globally competitive well into the future. Manufacturers and the manufacturing workforce are constantly evolving and adapting to the demands of the 21st-century economy to stay safe, productive and competitive. Old-fashioned, inaccurate views of manufacturing lead to increased compliance burdens for manufacturers without benefitting workers or improving safety outcomes. It is time to abandon those misplaced views and modernize labor and employment laws and regulations to fit the needs of today’s manufacturing workforce.
A Labor and Employment Agenda for the Future Must:

- Return to a balanced, dependable and fair approach to labor policies and regulations.
- Update complicated and outdated labor and employment policies to reduce regulatory burdens.
- Enable employers to continue to provide employees with new opportunities in modern manufacturing and more competitive pay through innovative means.
- Adapt to the changing needs of the modern manufacturing workforce.
- Focus on outcomes, encourage collaboration and highlight successful approaches manufacturers take with their employees and at their facilities to promote more productive and safer workplaces.

Modernizing outdated one-size-fits-all labor and employment laws is not only the right decision—it is also the smart decision. We strive every day to provide the best work environment and benefits for our employees. We are a more competitive employer when we offer more flexibility, taking into account employees’ unique situations and the unique demands on our business.”

—Louis A. Vega, President, Dow North America

Actions for Leaders to Take:

- Support initiatives that will codify and stabilize labor law precedent with respect to union organizing, appropriate bargaining unit sizes and definitions of key labor terms.
- Promote 21st-century workplace ideas that incentivize employees to remain and grow in the manufacturing sector, such as options for compensatory time off.
- Reestablish collaborative approaches with employers and create effective federal advisory councils to address workplace safety needs, equal employment opportunities and a diverse workplace.
- Support legislation that guarantees employee choice and freedom of association.
- Codify clear, uniform and workable federal nondiscrimination protections for all employees in the workplace.
- Ensure meaningful and effective oversight of key workplace regulators, such as the Department of Labor’s Occupational Safety and Health Administration and Wage and Hour Division, Equal Employment Opportunity Commission and National Labor Relations Board to promote smart and fair regulatory approaches.
Our nation’s rich heritage and global economic influence have been made possible by generations of immigrants. Indeed, America is a nation of immigrants. However, America has also become a nation with a broken immigration system. Decades of neglect and lack of enforcement of existing laws have eroded our citizens’ confidence in our border security, failed to reflect economic workforce realities and created uncertainty for some individuals who know no home other than the United States.

Manufacturers believe our leaders have an obligation to fix this system and that now is the time to enact comprehensive immigration reform. Building a better immigration system that balances compassion and security will create a stronger country and a stronger economy. Though the political climate has been marred by gridlock, the economic climate is ripe with opportunity for compromise. With manufacturers facing a workforce crisis, legal immigration is part of the solution necessary to help the industry grow and function to its full potential. There are more than 7 million available jobs across sectors, including a near record high in manufacturing, and manufacturers will need to fill 4.6 million jobs by 2028.

Let’s push past the existing arguments, overhaul our immigration system and fix the problems that exist today by listening to the concerns of all sides. Because manufacturers are in the business of building solutions, the NAM has a practical and comprehensive immigration plan, “A Way Forward,” designed to bolster national security, show compassion and strengthen the American workforce. Immigration solutions require compromise, and manufacturers urge lawmakers to seize the opportunity for a solution and end the division that has been created over this issue.

“We believe that our country is stronger and manufacturers like us are better when we have employees with a broad range of backgrounds and experiences because it fuels innovation and makes us more competitive globally. This is why we believe immigration is critical to job growth and economic prosperity in large and small communities across the United States, and why creating welcoming communities and work environments is essential.”

—Tony Satterthwaite, President and Chief Operating Officer, Cummins Inc.
An Immigration Agenda for the Future Must:

- Recognize that national security, compassion and addressing workforce realities are not mutually exclusive objectives when it comes to immigration.

- Establish a safe and secure border that both curbs illegal immigration and facilitates the more than $1 billion in daily commerce between the U.S. and Mexico.

- Prioritize America’s workforce needs through reforms to the legal immigration system.

- Offer opportunities to attract and keep talent in the U.S.

- Address both legal and illegal populations facing uncertainty in their status.

- Clear immigration backlogs so new cases can be addressed efficiently.

- Promote the rule of law so that it is respected and followed by all.

Actions for Leaders to Take:

- Fund border security through personnel, infrastructure, technology and enforcement via consistent appropriations that can address the needs and challenges of the southern border.

- Increase employment-based immigration as a percentage of overall new legal permanent residents in the U.S.

- Reform nonimmigrant visas and temporary worker programs to reflect employer needs, including a fund to support STEM programs to reduce the need for these types of visas in the future.

- Provide a permanent and compassionate solution for populations facing uncertainty, including Dreamers, who were brought here as children and know no other home, and individuals with Temporary Protected Status.

- Fix the problem of the unauthorized population with a realistic and compassionate solution that leads to a firm reset so that these challenges are not repeated year after year.

- Reform asylum and refugee programs for a more orderly and humane system.
Health Care: Keeping Americans Healthy and Productive; Unleashing Innovation

As leaders in the employer-sponsored health care system that provides quality benefits to approximately 181 million Americans, manufacturers go to great lengths to provide robust health insurance offerings to employees. Yet, both large and small manufacturers continue to cite rising health care expenses as one of their top business concerns. As health care inflation continues to increase, manufacturers across the nation are faced with the unending challenge of providing quality care for employees while managing rapidly rising health costs.

Approximately 98% of NAM member companies offer health benefits to maintain a healthy workforce and attract and retain talent—and fundamentally because they believe it is the right thing to do for their employees. But for too many manufacturers, rising costs and uncertainty in the health care system serve as a drag on business and threaten the care they are able to offer. Many manufacturers are leading innovative health benefit initiatives to provide quality care to better meet their employees’ needs while also reducing growing health benefits costs. However, manufacturers need certainty to negotiate affordable, best-in-class health plans for their employees.

Similarly, manufacturers of lifesaving health care products need free enterprise principles to guide health care policy decisions to encourage and protect the health care cures and solutions of tomorrow.

No doubt, efficiencies and improvements to our health care system are needed. As such, relying on market-based incentives and solutions to remove regulatory barriers and reduce costs, improve efficiency and increase access to quality, affordable health care are all essential aspects of a reformed and improved health care system of the future.

“Manufacturers across America are continually developing and implementing innovative health care benefits in order to deliver the highest quality care to our employees. Meanwhile, health care costs continue to climb, remaining a major headwind for manufacturers large and small. Policymakers need to remove barriers such as onerous health care tax burdens that decrease competitiveness and hinder manufacturers’ ability to provide employees the best care possible.”

—Chuck Wetherington, President, BTE Technologies, LLC.
Approximately 98% of NAM member companies offer health benefits to maintain a healthy workforce and attract and retain talent.

**A Health Care Agenda for the Future Must:**

- Decrease costs. Fees, taxes, administrative paperwork, reporting requirements, benefit mandates and other policies stifle innovation and make providing health coverage to employees unnecessarily expensive for manufacturers.

- Encourage flexibility. Expanding coverage options and enabling innovative models of care are essential for manufacturers’ efforts to maintain a healthy workforce and provide competitive benefits.

- Apply free enterprise principles to all aspects of health care policy reform. Such principles include, but are not limited to, protecting IP, encouraging transparency, opposing price control–oriented solutions and avoiding costly Medicare for All.

- Take on the challenge of reforming our medical liability system.

**Actions for Leaders to Take:**

- Maintain tax-exempt status of employee health benefits to avoid higher premiums for workers and families.

- Enact policies that allow employers to use innovative approaches to providing coverage for their employees, such as wellness programs, association health plans and direct primary care.

- Support reforms that move from a fee-for-service or volume-based system to a value-based system.

- Reduce patient out-of-pocket costs by addressing “surprise billing” and improving health savings accounts.

- Reduce ACA-mandated reporting requirements, which have added costly administrative burdens.
Corporate Governance: Supporting Capital Formation and Protecting Investors

Manufacturers depend on the public capital markets to finance business growth, job creation and economic expansion. Manufacturing workers, meanwhile, rely on the success of publicly traded companies for their ability to invest for a new home, a child’s education or a secure retirement. To that end, corporate governance policies that allow company management to engage in a productive dialogue with shareholders in order to enable smart business growth and strong investor returns is critical for Main Street businesses and middle-class workers.

Most manufacturing workers access the public market through a passive investment vehicle like a mutual fund, pension or 401(k). At a time when America’s pension system is facing a crisis, workers and retirees alike depend on Wall Street to manage their money fairly, but the increased influence of outside actors that have no fiduciary duty to investors endangers their life savings. In recent years, manufacturers have seen a rise in unregulated third parties inserting themselves between companies and their shareholders in an attempt to influence corporate decision making.

These market actors, including proxy advisory firms, ratings agencies and activist investors, have little to no stake in a company’s success and often pursue agendas divorced from business growth and shareholder value creation.

Dealing with these activists forces companies to divert resources from their core mission and can distract focus from the important decisions that drive investor returns. At the same time, underfunding of both the PBGC and multiemployer pension plans across the country further threatens Americans’ retirement security.

Lawmakers should take steps to protect middle-class investors and support the development of the manufacturing economy. Reducing the influence of unregulated third parties, reinforcing all market actors’ fiduciary duty to investors, strengthening the U.S. pension system and ensuring companies can focus on long-term growth and economic expansion will give manufacturers—and all Americans—the ability to create a more prosperous future for themselves and their families.
A Corporate Governance Agenda for the Future Must:

- Support and enhance the ability of the public market to facilitate capital formation and protect the interests of middle-class investors.
- Enable manufacturers to engage effectively with their shareholders.
- Rein in the influence of unregulated third parties that do not have a stake in a company’s success.
- Reduce regulatory burdens that divert resources from company growth without providing material information for investors.
- Protect workers and retirees that depend on the single and multiemployer pension systems for financial stability.

Actions for Leaders to Take:

- Provide for effective Securities and Exchange Commission oversight of proxy advisory firms.
- Clarify fund managers’ fiduciary duty to Main Street investors.
- Reform shareholder proposal rules to ensure fair consideration of important issues impacting long-term value creation.
- Repeal or reform disclosure requirements that do not provide material, decision-useful information for investors.
- Enact multiemployer pension reform that provides certainty for businesses and retirement security for middle-class Americans.

“From small businesses seeking early-stage financing to publicly traded companies navigating the capital markets, the NAM’s corporate governance advocacy is critical to supporting the growth of manufacturers across the country. By ensuring that policymakers in D.C. understand our industry, the NAM is preserving manufacturers’ ability to finance growth, R&D and job creation while also protecting the investments of millions of middle-class Americans who depend on manufacturing for a secure retirement.”

—Nicole Wolter, President and Chief Executive Officer, HM Manufacturing, Inc.
Manufacturers in the United States have created an innovation engine that has reshaped the world around us. New technologies and processes have brought us energy independence, new lifesaving medicines and medical devices and more efficient automobiles, to name a few. Countless other products are being developed and refined constantly to make people’s lives better and secure our nation’s global leadership position in manufacturing. Every day, manufacturers across the country are transforming their own operations to achieve greater efficiency, productivity and competitiveness while working to create a better tomorrow.

Manufacturers in the U.S. account for about two-thirds of private-sector spending on research and development, and manufacturing has been awarded more patents than any other industry. Innovation is the lifeblood of our economy, the foundation of a globally competitive manufacturing base here at home and the driver for U.S. leadership in manufacturing abroad. Building on this history of innovation, manufacturers are leading the charge in the digital economy of the 21st century. Machine learning, additive manufacturing, the internet of things, robotics, cloud computing, augmented reality and virtual reality, advanced materials and other innovations are attracting significant attention and investment that will propel manufacturing into the future.

As modern manufacturing in the U.S. races toward the new economic era and pursues future technologies to lead new operational advances, federal policies must keep up with the industry’s needs, prioritizing both investment and innovation. The application of advanced and digital technologies on the factory floor will contribute to a significant transformation already underway known as Manufacturing 4.0.
A Research, Innovation and Technology Agenda for the Future Must:

- Adopt policies that will attract and retain investment in activities that drive innovation.
- Vigorously protect all forms of manufacturers’ IP.
- Foster the growth of connected technologies and data-driven innovation across all manufacturing industry segments.
- Include cybersecurity policies that draw on the best industry practices.

“A digital transformation is underway in manufacturing. The technologies we choose, the solutions we deploy and the people who drive the change are essential to the future of the industry. Our policies must allow manufacturers to capitalize on this transformation rather than present roadblocks to its adoption.”

—Victoria M. Holt, President and Chief Executive Officer, Protolabs

Actions for Leaders to Take:

☑️ Deliver strong IP protections as international trade agreements are being negotiated.

☑️ Pursue a federal approach to data privacy that provides flexibility for innovation, addresses domestic and global inconsistencies and maintains U.S. economic growth and technological leadership.

☑️ Enact policies that curb abusive patent lawsuits while respecting IP rights for all industry segments.

☑️ Modernize our communications laws to reduce unnecessary regulations, spur investment in our digital infrastructure and promote the deployment of next-generation wireless technology.

☑️ Maintain a strong mechanism for the public and private sector to share real-time cyberthreat information and increase the penalty on cyber criminals.
Smart regulation is critical to protecting worker safety, public health and our environment, and overregulation will hold back our country’s economic potential. Similarly, frivolous litigation continues to cause backlogs in the courts and cost manufacturers millions, even when the claims are baseless. A more competitive economy demands reforming the nation’s broken legal and regulatory systems. While both require different sets of reforms, our regulatory and legal structures have become barriers to economic growth collectively, hindering innovation and slowing productivity.

Since 2016, the percentage of manufacturers that cited an unfavorable business climate—in part because of burdensome regulations—as their top concern has decreased from more than 70% to 20%. While there is cause for optimism, lawmakers still need to focus more on addressing the structural and fundamental problems inherent in our dated regulatory system. The annual regulatory cost burden for an average U.S. firm represents 21% of its payroll, and manufacturers, particularly small entities, bear a disproportionate share of the regulatory burden. Meanwhile, our legal system is more than twice as expensive as the systems of our major competitors, such as Japan, France, Canada and the United Kingdom. Regulations, frivolous tort claims and related litigation costs divert resources away from investments in the workforce, new equipment and other opportunities for manufacturers to grow and compete.

Despite the regulatory progress that has been made in recent years, more can and should be done to fully unleash our economic engine. Manufacturers are committed to commonsense legal and regulatory reforms that protect the environment and ensure public health and safety. Smart regulations are those that achieve their intended goal without unnecessarily harming the competitiveness of our sector or setting price controls. When struck, that balance can achieve both important social goals and widespread growth for American manufacturers.
A predictable and smart regulatory system is important to creating a business climate that manufacturers can grow and invest in. Everybody deserves a clean environment, safe workplaces and good health, and all of these are achievable with a thoughtful regulatory approach. Likewise, manufacturers deserve a legal system that guards against abusive litigation tactics and leads to fair outcomes.”

—Steve Staub, President, Staub Manufacturing Solutions

A Regulatory and Legal Agenda for the Future Must:

- Approach regulations with a focus on outcomes and relying on best-available science.
- Improve the quality of regulatory analysis to better inform regulators and agency leaders.
- Deliver a reformed regulatory system that efficiently meets regulatory objectives while minimizing unnecessary burdens.
- Seek proven strategies to reduce the abuse of our legal system.
- Restore basic fairness in our legal system.

Actions for Leaders to Take:

- Strengthen, streamline and codify the regulatory system to improve regulatory outcomes, increase accountability through meaningful retrospective reviews and sunset outdated and ineffective regulations.
- Set and enforce responsible regulatory budgets and conduct rigorous oversight and hold independent regulatory agencies accountable for discretionary regulations, improved transparency and the quality of the rules they issue.
- Reinstate mandatory penalties for lawyers who file frivolous lawsuits and prevent abuses of the class action and mass torts systems.
- Support clear standards for liability, including specific statutes of limitations and limits on punitive damages.
- Maintain and support legislation that guarantees federal preemption for federally approved products and services in national commerce.
- Oppose legislation that incentivizes and subsidizes litigation against manufacturers.
- Oppose efforts to prohibit binding arbitration clauses in employment, consumer and commercial contracts when arbitration programs meet a high standard for due process and protect the rights of all parties involved.