

**Remarks Prepared for Delivery for Jay Timmons
President and CEO, National Association of Manufacturers
Keynote Address, Nebraska Chamber of Commerce
Thursday, August 4, 2016
Ashland, NE**

Good afternoon. It's great to be with you, among the leaders and innovators of the business community. Especially after watching some of the political conventions, it's nice to be with a group who truly understands what it takes to create opportunity for all Americans.

So thank you to the Nebraska Chamber for the invitation. And thank you to Barry Kennedy for the introduction. Nebraska is lucky to have you.

Not only are you a leader in this state, but the relationships you've built with members of Congress ensure the voice of the Nebraska business community is heard in Washington, D.C. Your decades of service have made your state and this country a better place. There's no doubt about it.

I also want to recognize Chris Roth of Reinke Manufacturing, a National Association of Manufacturers (NAM) board member. And, a special thanks to Bruce Bohrer of the Lincoln Chamber for helping to make this event happen.

And it was great to hear from many of your elected leaders this morning.

Now I want to take your questions and hear your thoughts. But before that, I think it's important to set the stage. What's really the state of manufacturing in the United States today?

Because if you listen to the political rhetoric, you might get the wrong idea. Many of the presidential candidates' "solutions" would actually harm manufacturing in the United States.

Secretary Clinton's tax, regulatory, energy and health care proposals would put many manufacturers out of work.

Donald Trump's approach to trade and immigration would rob us of a promising future.

Both candidates and party platforms are long on misguided rhetoric and short on real solutions to grow the manufacturing economy.

We're even hearing that we need to, quote, "Make manufacturing great again."

Look, we have our challenges. We face headwinds. But manufacturing is already great—and so is America, by the way. We want to make it even greater.

More than 12 million people work in manufacturing, and our industry \$2.17 trillion to national GDP.

If U.S. manufacturing were its own country, it would be the ninth-largest economy in the world.

Here in Nebraska, manufacturing adds almost \$14 billion to the state economy. That's almost 13 percent of gross state product.

And get this important data point: For every dollar invested in manufacturing, another \$1.81 is added to the economy.

Manufacturing in the United States is leading an innovation revolution. More and more, it's high-skilled and high-tech.

It's 3-D printing, and it's the vast, new world of the Internet of Things, where everyday objects are now digitally interconnected by the web.

That's modern manufacturing. That's the future we need to seize.

But, there are obstacles still in our way. Unavoidable headwinds like global economic weakness and worldwide instability will be slow to change. But our leaders have the power to fix other barriers to opportunity and success.

They can fix policies in Washington that are holding us back.

And that's the change we, at the NAM, fight for every day—with everything we have. Our Manufacturers' Center for Legal Action battles in the courts to defend manufacturers and stop harmful regulations. Our campaigns—in and outside of Washington—turn the tide in manufacturing's favor with our industry-leading government relations, external relations and communications teams.

We're ensuring that manufacturing has a voice that measures up to our history, our legacy and our future.

At the NAM, we also wanted to make it easy on our leaders to chart the right path forward. So on our 2016 State of Manufacturing Tour, we spelled out exactly the right policies in our 2016 Agenda for Economic Growth and American Exceptionalism, titled "Competing to Win."

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

And, if you want to be a manufacturing voter, these are the issues that affect our livelihood and our families.

"Competing to Win" focuses on 11 areas:

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

We go into more detail than we have time for today. So I'm just going to touch on each one briefly.

Start with taxes. 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. Our tax code means we are starting from behind.

If we achieve comprehensive tax reform, that would mean...

- 6.5 million jobs added to the U.S. economy over 10 years;
- Lower tax burdens for companies of all sizes;
- 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.

We live in a global economy. Our tax system needs to recognize that reality.

Our trade agenda also has to recognize that. We can't rely on the U.S. market alone when 95 percent of world customers live outside our borders.

Here in Nebraska, exports are directly tied to more than 62,000 jobs. That's why agreements like the Trans-Pacific Partnership are so important.

And it is really dispiriting to hear both major candidates voice opposition to the TPP—when a recent NBC/*Wall Street Journal* poll found that 55 percent of voters agree that free trade is “good for America.”

We can support the TPP, while still working harder at enforcing the rules—to create a more level playing field.

It's a similar story in the energy world. Our access to diverse, affordable and reliable energy is a tribute to American innovation. To keep our energy supply reliable and affordable, we need to encourage the use of all energy sources.

Earlier this year, manufacturers won a landmark victory when the Supreme Court halted the Clean Power Plan while we argue our case in court. Now, we keep fighting to roll back this overreaching regulation permanently.

The truth is, manufacturers are leading the way in protecting the environment through greater sustainability and reduced emissions. Manufacturers have reduced greenhouse gas emissions by more than 10 percent since 2005. Ozone levels are down 25 percent since 1990. But, we can't build a sustainable future if we're coping with outdated or misguided laws.

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 more up-to-date, modern infrastructure systems. But here in America, deteriorating roads and aging railways threaten not only our quality of life but also our very ability to compete economically.

We need greater commitment to build the system of the future, including our ports, inland waterways, railways and aviation system. We can do better—and create jobs along the way.

More and better jobs are exactly what officeholders and candidates should have as their number-one priority. There are no more creative, industrious or productive workers than right here in the U.S. So we need labor laws and workplace regulations that reflect the dynamics of modern manufacturing.

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

Our people and our economy are strong because of our diversity as a nation as well. We are a nation of immigrants. We attract the best and the brightest to our shores. So let's acknowledge that our immigration system is broken. Let's fix it and get it right.

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.”

So we have to get more young people to consider careers in manufacturing, update and improve our training programs and foster industry partnerships.

And I want to give a shout-out to NAM board member T.R. Raimondo of Behlen Manufacturing Co. for his leadership in this area. He's doing great work in Nebraska, helping young people see that if they can dream it, they can do it in manufacturing. He's a true ambassador for our industry.

Of course, updated skills is one factor for a productive workforce. So, too, is health care.

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

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

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

Our leaders must never back down from our commitment to strong intellectual property protections, and 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.

We all want safe workplaces and clean air and water. Regulations are important to a successful system of free enterprise. But manufacturers today bear a disproportionate share of the burden of regulatory compliance costs. So we need better, transparent regulations.

For small manufacturers with fewer than 50 employees, regulation costs total almost \$35,000 per employee per year—more than three times the cost for the average U.S. company. That's one of the reasons the NAM launched a campaign, called the Power of Small, to tell the stories of small manufacturers...about the real-life burdens they face.

We can't afford to stay silent. It's time to call for real, wholesale reform. And if that's a cause you believe in, I encourage you to learn more about our Rethink Red Tape campaign at rethinkredtape.com.

As you can see, that's a full bucket of diverse priorities, and this is what actually matters to grow manufacturing in America and in Nebraska.

We don't need protectionism or isolationism, which we heard listening to speeches at the conventions.

All of our policy goals are guided by four core principles that are the foundational values of the country 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.

Today, building a stronger country requires electing and supporting people who believe in those four foundational principles.

And if you want to learn more about how you can motivate and mobilize your employees to vote, visit the NAM Election Center at www.nam.org/electioncenter. Or stay connected with manufacturing voters, by joining our Friends of Manufacturing program. Text “friends” to 52886.

Manufacturers and the business community must raise our collective voices to speak out. We have an obligation to question candidates and hold them accountable when their agendas miss the mark.

We don't have to accept the new normal—an environment that inhibits our ability to grow, invest and thrive...an environment that falls short of who we are and who we aspire to be...an environment that threatens American exceptionalism.

Ladies and gentlemen, the NAM will not stand by. We will not waver in our defense of free enterprise. We will not falter in our quest for a more competitive economy. We will not give up on equal opportunity for all.

In the course of our country's history, manufacturers have led us through many difficult times. And we will do so again—for the future of our country.

Thank you so much.