

Activities Completed and Underway

I last updated you in June about the NAM 's multi-year Campaign for Growth and Manufacturing Renewal. Following are the main activities in which we have been engaged or which are underway:

1. One of the overriding concerns of many manufacturers is China's unfair trade practices and their implications for the future of U.S. manufacturing. I have discussed China trade policy on several occasions with Commerce Secretary Evans, Treasury Secretary Snow and USTR Ambassador Zoellick since the NAM Board meeting in February. During these meetings, I expressed particular concern about the undervaluation of the China's currency (up to 40 percent by some estimates), which gives Chinese products an unfair price advantage and makes U.S. products more expensive to Chinese importers. Recent public statements by Secretary Snow and others indicate that this message is getting through and that the China currency issue is now high on the U.S. policy agenda.

The President's Advisory Committee on Trade Policy and Negotiations (ACTPN), which I co-chair, has also provided a useful forum to raise the profile of China trade concerns. One of the first steps the newly-empanelled ACTPN did, at my urging, was to establish a special working group on China so that the U.S. is better prepared to respond to Chinese counterfeiting and other unfair trade practices. We will continue to press for a strong positive agenda with China, one that firmly addresses our concerns about Chinese trade and currency practices but also enables manufacturers to take advantage of the opportunities in this rapidly growing market.

2. After releasing two major new studies on manufacturing this spring, we have been aggressively publicizing them on Capitol Hill, in the Bush administration and the media and among manufacturers. We have not only held well-attended press conferences for their release, but we have distributed them to all policy-makers in Washington. Hundreds of NAM members have written their own Members of Congress about them as well, personally relating the findings to the current difficult manufacturing climate.

As a result, we are seeing extensive new stories about manufacturing in prominent publications such as the Wall Street Journal and the Washington Post and we are seeing our concerns rise to the front of many policy-makers agendas.

3. The first of the two studies, Keeping American Competitive-How a Talent Shortage Threatens U.S. Manufacturing <http://www.nam.org/careers> describes the challenge of the employee talent shortage facing much of manufacturing--even in a recession--and makes recommendations for turning it around. Written with the support of Deloitte & Touche, it describes the high quality, high-pay nature of today's manufacturing jobs and explores the reasons why fewer and fewer young people are choosing manufacturing careers. It calls for a number of steps to reverse this, including an annual National Manufacturing Day when companies would bring students into their plants across the nation.

4. We also released Securing America's Future-The Case for a Strong Manufacturing Base, <<http://www.nam.org/future>> highlighting manufacturing's contributions to the U.S. economy. The author, a prominent economist, notes that "if the U.S. manufacturing base continues to shrink at its present rate and the critical mass is lost, the manufacturing innovation process will shift to other global centers. Once that happens, a decline in U.S. living standards in the future is virtually assured." We need to continue to drive home this message to Members of Congress, the media and the general public.

5. Building on earlier communication with Commerce Secretary Evans and senior White House officials, we are developing our own NAM white paper on manufacturing. This paper will lay out in more detail the key policy changes that are important to revitalizing manufacturing. Our policy recommendations are grouped around three themes:

- Leveling the international playing field, especially with regard to China,
- Reducing the cost of manufacturing, with a particular focus on health care, litigation, asbestos and energy costs, and
- Promoting innovation and investment.

The white paper will be useful in helping to educate the Administration, Congress, media and public on the wide range of issues affecting manufacturers and their combined impact on U.S. competitiveness. We look forward to releasing the white paper around the time of the September NAM Board meeting in Washington.

6. We have been working closely with the Department of Commerce as they have conducted an unprecedented 20 public hearings. Commerce officials have met with manufacturers from Palo Alto to Raleigh and heard from many different manufacturing sectors, including semiconductors, textiles, aerospace and machine tools. We have been in frequent contact with the officials running the hearings, suggesting the inclusion of NAM speakers at every event and seeking local press interviews in each location. We believe that Secretary Evans will issue a compelling report in September about manufacturing competitiveness that will underscore many of the points that we have been making in our own campaign.

It's not too late, by the way, to send your own comments about manufacturing to Secretary Evans; comments are being received all this month and will be weighed in writing their report on manufacturing. To make it easy to send in your comments, we developed a special email link at www.nam.org/DoCcomments.

7. We will have two new educational resources for manufacturers this fall so that we can all better tell about our concerns to public officials and the press. At the board meeting in September, we will release the latest edition of The Facts About Modern Manufacturing, a 60-page booklet that provides much of the ammunition about the contributions of manufacturing to the economy and in our communities, but also some of the challenges. Later in the fall, we will publish a new study that will detail the high costs manufacturers face from taxes, regulation and other areas, making it more difficult to do business from

the United States . We are conducting this report in conjunction with the Manufacturers Alliance (MAPI).

8. Congress is beginning to get the message about manufacturing. Representatives and senators have begun introducing legislation to strengthen the way the U.S. government deals with the manufacturing sector. We are also working with several members to develop specific legislation to strengthen manufacturing. One of the first initiatives we expect to be approved in September is a Congressional resolution that highlights the importance of manufacturing for economic growth and a high standard of living and calls for designation of a new annual National Manufacturing Day and a special Summit on Innovation, Jobs and Exports.

9. We are continuing to build grass roots activities among manufacturers in key industrial states. We are beginning to partner with state manufacturing associations to intensify our message among governors and with state and local officials in the 18 months before the next elections. Our first effort will be in Ohio in September with the Ohio Manufacturers Association. We are also working wherever possible with other states that are holding rallies and educational programs for their members, including in Vermont, California and Washington State.

10. The President has been invited to speak at our fall board meeting. We have also suggested that he deliver a major speech on manufacturing this fall.

11. To undertake these new initiatives and others that our members want to see, we are launching a new fundraising program for the manufacturing campaign. To that end, we have hired a part-time fundraiser, Hank Kocial, with 15 years prior experience in raising special funding at the U.S. Chamber of Commerce. We will be especially focused on developing the kind of budget that will enable the NAM to continue to aggressively raise awareness on manufacturing and change the terms of the policy debate.