

## June 27-28, 2007 NACFAM Annual Washington Policy Meeting

### **“Making Manufacturing a National Priority”**

#### Purposes & Conduct of the Meeting

##### Purposes:

1. How do we make manufacturing issues a national priority? What must we do as a community to shape the message to convince the 2008 Presidential candidates to speak out about their positions on the competitiveness of US manufacturing? How do we get them to do what candidate Clinton did in September of 1992, when he virtually plagiarized NACFAM’s position paper of that time for a major campaign speech?

To set the stage for this, **please read** the next two pages by Jack Russell as published in a recent issue of the *PA Manufacturer* magazine. Some of it may be controversial to some (e.g., when he mentions “... the message of large multinationals [versus] that of smaller regional firms.”), but all of us agree with probably 99% of what he says. Jack will be at this meeting so you can talk with him more about this key purpose for our gathering.

2. What are the next steps we can take back home to drive the necessary action to move the needle forward on these issues?

3. What do we need from the federal government, especially from the Interagency Working Groups (IWGs) on Manufacturing represented in this meeting and in the AMLF Luncheon Roundtable on Thursday?

##### Conduct of the Meeting:

1. The President & CEO of the National Association of Manufacturers (NAM), the former Governor of Michigan John Engler, will keynote the meeting by discussing item 1 above, and how we can work together to make it happen.

2. I will cover the purposes above and describe the process of the breakout sessions for three of our four NACFAM manufacturing ***ing*** focus areas; i.e., workforce, technology & innovation, and supply chain. Topics for discussion were identified by Councils of several NACFAM members for each area, adding and subtracting if the breakout session participants decide to do so.

3. Sustainable manufacturing, the fourth NACFAM manufacturing ***ing*** focus area, will be covered by keynote remarks from the Dow Chemical Company’s Chief Sustainability Officer, Senior Vice President David Kepler. He looks forward to the Q&A after his remarks as the part where he can learn as he helps us understand how sustainability opportunities can be positively included in the breakout sessions and our actions for a more profitable future.

4. The Thursday AMLF Luncheon Roundtable, open only to AMLF principle representatives, is for us to challenge the two Interagency Working Groups on Manufacturing to take the initiative to help on the next steps we identify in our breakout sessions. Administration representatives in the Roundtable are Dr. William Jeffrey, Director of NIST, and the Honorable Emily Stover DeRocco, Assistant Secretary of Labor, both of whom chair subcommittees of the IWG on Manufacturing Competitiveness ostensibly chaired by Secretary of Commerce Gutierrez.

Also a participant because he is a NACFAM AMLF member is Dr. Dale Hall, Director of the NIST Manufacturing Engineering Laboratory, who chairs the other manufacturing IWG, the IWG on Manufacturing R&D. In fact, Dale and Dr. Jeffrey are also looking to our Technology breakout to give guidance on Dale’s MEL direction for the next several years.

Another participant is Roger Kilmer, Director of the NIST Manufacturing Extension Partnership and a NACFAM AMLF member as well. He also assists Dr. Jeffrey in the work for the IWG on Manufacturing Competitiveness.

# Counsel for Our Next President

In this winter of discontent, as we grind toward the 2008 presidential contest, I wait for the leader who will make the future of manufacturing in America a political priority.

In the next two years, oceans of ink will flow on Iraq, Iran, homeland security, taxes, deficits, education, energy, immigration, health care, social security and all the other challenges before us. Presidential hopefuls will tack through the shifting winds of public impulse as they plot passages to nomination and election. Some may even lead.

My test to screen the herd is simple: I seek candidates who will talk to me with intelligence about manufacturing in America and tell me what they will do as President to support world-competitive manufacturing in our nation. Thus far, not one Republican or Democrat rehearsing in the wings meets my test. To improve this woeful performance, I offer the candidates and their handlers a short course on what folks like us deserve to hear from any serious contender for the Oval Office.

**Know something.** Articulate the continuing importance of manufacturing in the national economy. Show us you know that:

- smart firms design and produce world-class high-value added goods here;
- digitally-enabled global enterprise opens opportunity for agile American firms; and
- 'post-industrial' prophets are mush-heads.

**Be a realist.** Acknowledge that we have taken a hard hit in the last decade. Tell us the truth:

- commodity production does not have a long-term future in America;
- able foreign firms will contend in all our domestic markets, and
- other nations have invested smarter than we have to support their manufacturers;

Then say that we can turn this tide and show us how you will lead.

**Don't waffle on trade.** Reject protectionism, but get beyond the bromide of 'free but fair trade.' Address what intelligent leadership can do diplomatically to support competitive manufacturing on our soil. Pledge to end hypocritical subsidies to politically privileged industries here at home, but show you will jawbone from strength when necessary.

**Assure skills.** Give us hope that your administration will work with industry, schools and the states to assure that every competitive American manufacturer who offers a good wage for the skills they need will have ongoing access to those skills. Affirm the public responsibility to assure these skills, invest serious federal resources, champion federal-state-industry cooperation, develop and promulgate models – and make a commitment to fix the broken skills system within eight years.

**Build infrastructure.** Tell us you will invest to build and maintain the 21<sup>st</sup> century physical and institutional infrastructure required to support world-class manufacturing in the global economy. Set an aggressive date for providing manufacturers in America with universal broadband. Commit to a mission-driven, market-disciplined, dynamic national network of centers to assist progressive small- and medium-sized firms that is an order of magnitude larger than the valuable but chronically under-funded Manufacturing Extension Partnership. Set a goal to increase the American supplier links of global supply chains.

**Address costs.** Many of us have worked hard to drive costs out of our production systems and extend lean discipline throughout our enterprises. We deserve government leadership to reduce the social costs of manufacturing in America, starting with health care. Other advanced nations have solved the health care challenge and thus given their manufacturers a competitive advantage.

**Spur innovation.** Reassert U.S. world leadership in science and engineering and define a mission to drive innovations from basic science to commercial production faster and smarter in America than in any other nation.

**Celebrate excellence.** Understand what must be done very well by private and public sector organizations to assure a vibrant future for manufacturing in America, find the path-breakers and celebrate their excellence from your bully pulpit.

This counsel may seem common-sense to manufacturers, but none of the early contenders for 2008 from either party have yet to offer a focused message on the future of manufacturing in America, especially on our industrial foundation of small- and medium-sized firms. Let me suggest three reasons for this failure:

- **Math.** The majority of manufacturing jobs lost in the last six years have been in less than 15% of our 435 Congressional Districts. The immediate political pain of our manufacturing erosion is local and limited. We understand the cost to the national economy; many politicians do not -- yet;
- **Message.** Presidential candidates who listen to manufacturers hear the message of large multinationals far more than that of smaller regional firms. (Look at the debate on China within NAM.) Small firms have more bodies but large firms have more bucks and more lobbyists. As long as small firms are politically mute, multinationals will own the political airtime;
- **Moxie.** The representative leaders of small manufacturing firms I've had the privilege to work with for 25 years are smart, hard working, articulate and caring folks. Most are also politically disengaged, even alienated. We won't get political leaders who understand our importance and needs until we have the moxie to educate them in ways they have the political smarts to understand.

I believe America's roughly 250,000 independent small manufactures and the millions who work for them could be one of the sleeping giants of American politics. They deserve to hear both Republican and Democratic versions of the themes above. May 2008 be the year when all serious candidates for President are required to address the future of manufacturing in America.

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