

Job Recruitment, Training, and Retention and Advanced Technical Education are Critical to the Future of Manufacturing in America

MESSAGE TO CONGRESS:

Support manufacturing in America by supporting workforce development, job training, recruitment, and placement programs

As WIOA is implemented, we need to expand local involvement of small/medium sized manufacturing

Congress should support skills certifications and national industry-recognized employee credentialing

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Over 77% of NTMA and PMA members report they currently have job openings in their manufacturing plants. Of those, **97% have severe or moderate challenges recruiting qualified employees.**

Washington should support job training initiatives and programs that support in-demand jobs such as those in the manufacturing industry. Job recruitment, training, and placement and advanced technical education are critical to the future of manufacturing in America. From 2009-2012, manufacturing job openings increased by 200%. **277,000 skilled manufacturing jobs are currently unfilled** and over **2.7 million manufacturing employees are expected to retire** in the next decade. Washington must support training, education and product diversification programs such as those through the Manufacturing Extension Partnerships that create thousands of high paying jobs.

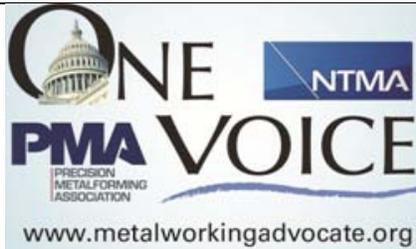
Businesses need a more direct role in establishing education policy at K-12 and higher education levels to help prepare students for the workforce and placement in successful manufacturing careers. **China and India are educating 10 engineers for every 1 in the U.S.**

Manufacturing technology continues to advance as does the need for highly skilled workers. With many manufacturing technology programs at secondary and post-secondary schools having closed in recent years, there are not enough skilled people to fill these essential roles. U.S. manufacturing employs 12,327,000 workers directly and almost 39 million work in the value chain of manufactured goods, according to a recent study. In 2012, the average total compensation for a U.S. manufacturing worker was \$79,662 annually in pay and benefits compared with \$62,117 for the average worker in all industries.

Manufacturers need a new source of workers and establish a pipeline which will supply employers with a steady stream into the future. This means tapping new resources. One Voice members launched the National Robotics League to attract young people to manufacturing. They also are leaders in the Women in Manufacturing initiative to target a demographic underrepresented in the executive suites and on shop floors. Both NTMA and PMA are partners with American Jobs for America's Heroes to encourage businesses to hire National Guardsmen and women.

Congress should:

- Support projects that recruit, screen, train, place, and retain workers in critical metalworking industries;
- Encourage the use of nationally recognized industry-led and industry-specific skill standards, such as those developed through the National Institute for Metalworking Skills (NIMS);
- Expand and reauthorize Perkins and Pell grants to provide students and employers with the flexibility needed to adapt educational and training programs to their industry;
- Promote manufacturing careers to students, parents, and educators during town halls and public appearances;
- Include metalworking manufacturers in job fairs and veterans outreach events; and
- Contact One Voice about touring a plant on Manufacturing Day, October 7th or during any Congressional recess.



Regulators Should Work with Manufacturers, Not Against Them

MESSAGE TO CONGRESS:

Federal regulators must comply with small business review procedures and honestly analyze how their rules impact the economy

Congress should work to block or repeal unnecessary, ineffective, and harmful EPA, OSHA, and NLRB regulations while working to reform and make transparent the regulatory process.

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U.S. manufacturers are already at a 20% disadvantage compared to their overseas competitors, and complying with federal regulations adds significant costs and burdens to remaining competitive and growing their businesses. **The regulatory compliance cost on average per employee is \$10,585 for small businesses, while the cost is over \$30,000 for small manufacturers.**

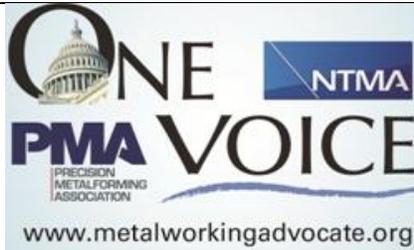
The EPA's Greenhouse Gas Power Plant Carbon Emissions proposal to cut emissions from existing plants will increase the price of **electricity annually by 6-12% by the EPA's estimates and 20%** by industry data. The average One Voice member spends \$150,000 each year on energy with 2/3 expecting an avg. price increase of 7% in 2016 – a combined 13-27% annual price increase.

Concurrently, an EPA proposal lowers the permissible Ground Level Ozone emissions rate from 75 parts per billion (ppb) to 70 ppb. This requires states to implement plans to reduce their ozone levels, in part by **restricting economic activity and manufacturing expansion.** While, some regulations may exempt small manufacturers from direct penalties and fines, when the cost of manufacturing in America increases for a key energy and material supplier or customer, then the cost also increases for small businesses.

The Department of Labor (DOL) is also targeting metalworking manufacturers and their facilities. The NLRB's Persuader and Ambush Elections rules will undermine the local employer-employee relationship and **deny workers access to vital information.** In addition, OSHA plans to publish online all incidents/injuries at businesses without explanation, creating a false impression of unsafe work environments at a time when the government and employers are working together to attract more young people into manufacturing. The Administration's efforts to increase the overtime exemption threshold by 113% virtually overnight will harm millions of workers who have earned salaried positions. It will also force many small businesses to change their classifications as they cannot keep up with the 10% threshold increase called for in the proposal. Most concerning of all, is an agreement signed by DOL calling on the Justice Department's Environmental Criminal Division to enforce workplace law, an area with which they have no expertise.

To stimulate manufacturing in America:

- EPA should withdraw ozone, power plant and water rules;
- The Labor Department should reverse action on Ambush Elections, persuader, and overtime rules; and
- Regulators should comply with the Small Business Regulatory Enforcement Fairness Act (SBREFA), Administrative Procedures Act, and Regulatory Flexibility Act



Tax Reform for All Companies

Don't Leave Small Businesses Paying the Bill

MESSAGE TO CONGRESS:

We need tax reform for all manufacturers – C-Corporation and Pass-through businesses. The only way to grow the economy is through a simplified code that encourages domestic investment with a globally competitive rate.

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The U.S. continues to have the **highest business tax rate** in the developed world, a rate which is 15% above that in China and 10% more than our nine largest trading partners. American manufacturers need a simplified, stable, and globally competitive tax code that treats all businesses equally, whether a C-Corporation or pass-through entity such as an S-Corporation, LLC, or ESOP.

A recent survey showed that **75% of One Voice members are pass-throughs** paying at the individual rate. Nationwide, these types of businesses account for 54% of all jobs in the United States and **81% of all manufacturers**. This means 8 in 10 manufacturing businesses pay taxes at the individual rate, the total of which **reaches 44%** for many. Tax reform only for C-Corporations, leaves virtually all small businesses behind to pay the much higher rate.

Any attempts to lower the rate for C-Corps should also include a reduction for business income by pass-throughs as well. Smaller, family-owned companies in particular are structured as S-Corps due to the need to pass the business down to the next generation without incurring severe tax penalties. Clearly, a rate reduction for C-Corps will help all industries as many larger corporations are suppliers and customers for pass-throughs; but to truly grow the economy, we need to improve the global competitiveness of all manufacturers.

Congress should also build upon its important work in December 2015 making permanent the R&D Tax Credit and Section 179 Equipment Expensing, while extending Bonus Depreciation through 2019. For the first time in decades, **Congress gave manufacturers the stability they need in the tax code** to plan capital expenditures. Next, Congress should act on comprehensive tax reform and enhance the R&D to 20%, continue to grow 179, and make permanent a large equipment recovery provision such as Bonus Depreciation.

To improve their global competitiveness and increase production and job creation, One Voice manufacturers report using the following:

- Section 179 Expensing (92% use)
- Bonus Depreciation (91%)
- R&D Tax Credit (55%)
- Section 199 Domestic Production Activity Deduction (45%)
- Last-in-First-Out, LIFO (37%)
- IC-DISC when exporting (14%)