



## **“Top 3” Manufacturing Policy Priorities**

Building on the recommendations of the Coalition on Manufacturing Technology Infrastructure in late August 2010 ... discussions held at NACFAM’s 2011 Annual Policy Conference ... and the recommendations made at our 2012 Annual Policy Conference, NACFAM has concluded that policy makers must take action as soon as possible on its **“Top 3” Manufacturing Policy Priorities**. By doing so they will help *strengthen America’s economy and revitalize U.S. manufacturing*.

The **“Top 3” Manufacturing Policy Priorities** call on policy makers to enact programs to:

- **Build a better Educated and Trained Workforce**
- **Promote Product and Process Innovation and Expand R&D**
- **Improve Global Competitiveness for U.S. Companies**

Each of these priorities contains elements that must be considered in developing public policies that can result in revitalization of the nation’s manufacturing sector. Policy makers must consider these elements in shaping future public policies and legislation. Their goal should be to help American companies make the transformation to a more knowledge-intensive, information-fueled innovative production process so they can more successfully compete in the 21<sup>st</sup> century global economy.

### **Priority # 1 -- Build a better Educated and Trained Workforce**

- Increase credentialing and/or certification for all workforce members.
- Increase focus on career and educational pathways and pipelines for all learners.
- Increase parent and student awareness of manufacturing career opportunities.
- Use competency models to shape career decision-making.
- Require applied learning in all schools serving K - 20 students.
- Increase courses in *science, technology, engineering and math* (STEM) education for all K - 20 students.
- Provide real-world career counseling for secondary and post-secondary students.
- Promote increased established (incumbent) worker retaining/re-skilling.
- Create more teacher/counselor internships in the private sector.
- Encourage greater use of technology in learning and training.
- Urge all American citizens to pursue life-long learning to retain marketable skills.
- Increase community-level employer/educator collaboration to support learning and skill enhancement programs for K-20 students, teachers and counselors.

## **Priority # 2 -- Promote Product and Process Innovation and Expand R&D**

- Lower interest-rate loans to help small companies' innovation initiatives.
- Lower interest-rate loans to help *small and medium-sized manufacturers* (SMMs) grow.
- Make permanent and raise the R&D tax credit for both product and process R&D.
- Make permanent and raise the tax credit for collaborative *research and experimentation* (R&E).
- Provide government-backed loans (50%) to SMMs upgrading outdated factories to produce advanced manufacturing products, especially those resulting from innovations.
- Establish advanced manufacturing technology consortia that correlate manufacturing R&D investments with applied research and thereby accelerate innovations' time to market.
- Guarantee the allocation of 5% of *Small Business Innovation Research* (SBIR) funds annually to incentivize innovation in manufacturing, including the funding of applied research.
- Establish incentives to increase SMM R&D on sustainable innovations aimed at reducing costs and risks.
- Establish incentives to increase focus on applied research.
- Expand *Manufacturing Extension Partnerships* (MEPs) to serve as *manufacturing process innovation* centers to assist SMMs.
- Provide expanded market intelligence to SMMs.
- Use technology transfer programs to disseminate innovative ideas and information to companies.
- Expand SMM interaction with Federal labs.

## **Priority # 3 -- Increase Global Competitiveness for U.S. companies**

- Create a level playing field for U.S. companies involved in world trade.
- Reform the export control system to increase trade.
- Adopt additional free trade agreements to open more foreign markets to U.S. companies
- Enforce trade agreements with greater vigor.
- Secure *intellectual property* (IP) protection for U.S. companies involved in global trade.
- Expand MEPs *Expotech* program to provide global trade and best practices information to SMMs.
- Establish a U.S. Credit Bank to help small manufacturers obtain business loans.
- Require foreign nations to allow their currencies to float.
- Minimize manufacturers' cost burdens – taxes, regulations, anti-trust rules.
- Share ideas and information with other businesses to enhance productivity.