

June 22, 2023

Jeff Zients  
Chief of Staff  
White House  
1600 Pennsylvania Ave. NW  
Washington, DC 20500

Dear Mr. Zients,

As members of the Manufacturers for Sensible Regulations coalition, representing hundreds of thousands of businesses across the nation that collectively employ millions of Americans, we write to express our concern with the regulatory burden, which is hindering our ability to create well-paying jobs, grow the economy and create the products that will improve the quality of life for everyone.

President Biden has made strengthening the manufacturing sector a priority for his administration. Historic legislation like the Bipartisan Infrastructure Law, the CHIPS and Science Act, key energy provisions of the Inflation Reduction Act and the initial permitting reforms in the Fiscal Responsibility Act underscores the commitment that policymakers have made to our industry. However, the onslaught of new regulations, some of which are previewed in the recently released Spring 2023 Unified Agenda of Regulatory and Deregulatory Actions,<sup>1</sup> is chilling manufacturing investment, curtailing manufacturers' ability to hire new workers and suppressing wage growth, especially for the small and medium-sized manufacturers that are the backbone of the supply chain.

According to the National Association of Manufacturers' Q2 2023 Manufacturers' Outlook Survey,<sup>2</sup> more than 63% of manufacturers report spending more than **2,000 hours** per year complying with federal regulations, while more than 17% of manufacturers report spending more than **10,000 hours**. That is time that cannot be spent on more productive activities, including delivering products to customers, and it expends resources that otherwise could go toward hiring, raises or capital investments.

The Outlook Survey demonstrates that there are clear consequences to burdening companies with higher compliance costs: "Concern about an unfavorable business climate was the highest in six years [...] 65.0% of manufacturers would purchase more capital equipment if the regulatory burden on manufacturers decreased, with 46.9% increasing compensation, 43.2% hiring more workers, 40.1% investing in research and 38.1% expanding their U.S. facilities."

The cost of complying with regulations can be enormous, particularly when it comes to regulations that impact hiring and retention. The most current data on the cost of regulations shows that the average U.S. company paid \$9,991 per employee per year to comply with federal regulations, but the average manufacturer in the United States pays nearly double that amount: **\$19,564 per employee per year**. Small manufacturers face an even higher and

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<sup>1</sup> See: <https://www.reginfo.gov/public/do/eAgendaMain>

<sup>2</sup> National Association of Manufacturers, NAM Manufacturers' Outlook Survey, Second Quarter 2023, (June 2023), available at [https://www.nam.org/wp-content/uploads/2023/03/Manufacturers\\_Outlook\\_Survey\\_Q2\\_June\\_2023.pdf](https://www.nam.org/wp-content/uploads/2023/03/Manufacturers_Outlook_Survey_Q2_June_2023.pdf)

disproportionate regulatory cost of **\$34,671 per employee per year**, which is more than three times the cost to the average U.S. company.<sup>3</sup>

Regulations create tremendous uncertainty, which can stall or even prevent manufacturers from growing their workforce, purchasing equipment, conducting research and development and investing in their communities. This puts manufacturers in the U.S. at a competitive disadvantage with countries such as China, threatening America's global leadership. **To ensure manufacturers remain competitive, we respectfully request that a senior-level adviser be designated to coordinate efforts within the White House to ensure that federal regulators are implementing policies that align with the president's promise to promote the growth of manufacturing in America.**

Our industry has been extraordinarily resilient in recent years, leading the country forward amid global upheaval. The federal regulatory barrage threatens our ability to continue growing and creating jobs and to compete on the global stage. Manufacturers are committed to commonsense legal and regulatory reforms that ensure public health and safety, and we look forward to continuing working with you to find solutions that foster sensible regulations that support manufacturers' continued job creation and economic competitiveness.

Sincerely,

Adhesive and Sealant Council  
Aerospace Industries Association  
AICC, The Independent Packaging Association  
Alaska Chamber  
Alliance of Wyoming Manufacturers  
Aluminum Association  
American Bakers Association  
American Boiler Manufacturers Association  
American Chemistry Council  
American Cleaning Institute  
American Coatings Association  
American Coke and Coal Chemicals Institute  
American Composites Manufacturers Association  
American Forest & Paper Association  
American Foundry Society  
American Frozen Food Institute  
American Iron and Steel Institute  
American Wood Council  
AMERIPEN – American Institute for Packaging and the Environment  
AMT – The Association For Manufacturing Technology  
Arizona Manufacturers Council

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<sup>3</sup> Crain, W. M., and Crain, N. "The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business," (September 2014), available at <https://www.nam.org/wp-content/uploads/2019/05/Federal-Regulation-Full-Study.pdf>

Arkansas State Chamber of Commerce and Associated Industries of Arkansas, Inc.  
Associated Equipment Distributors  
Associated Industries of Florida  
Associated Industries of Massachusetts  
Associated Industries of Missouri  
Associated Industries of Vermont  
Association of Home Appliance Manufacturers  
Association of Washington Business  
Autos Drive America  
Beer Institute  
Business + Institutional Furniture Manufacturers Association  
Business and Industry Association of New Hampshire  
California Manufacturers & Technology Association  
Can Manufacturers Institute  
CBIA  
Cellulose Insulation Manufacturers Association  
Chamber of Commerce Hawaii  
CIBO  
Colorado Chamber of Commerce  
Composite Can and Tube Institute  
Composite Panel Association  
Consumer Technology Association  
Council of Industrial Boiler Owners  
Delaware State Chamber of Commerce and the Delaware Manufacturing Association  
Electronic Components Industry Association  
Flexographic Pre-Press Platemakers Association  
The Food Industry Association  
Forest Resources Association  
Georgia Association of Manufacturers  
Greater North Dakota Chamber  
Household & Commercial Products Association  
Hydraulic Institute  
Idaho Association of Commerce & Industry  
Illinois Manufacturers' Association  
Association of the Nonwoven Fabrics Industry  
Independent Lubricant Manufacturers Association  
Indiana Manufacturers Association  
Industrial Packaging Alliance of North America  
Industrial Truck Association  
Institute of Makers of Explosives  
International Molded Fiber Association  
International Sign Association  
Iowa Association of Business and Industry

Irrigation Association  
ISRI, Voice of the Recycled Materials Industry  
Kansas Chamber of Commerce  
Kentucky Association of Manufacturers  
Laboratory Products Association  
Louisiana Association of Business and Industry  
Maine State Chamber of Commerce  
Maryland Chamber of Commerce  
Metal Building Manufacturers Association  
Metal Powder Industries Federation  
Metal Treating Institute  
Metals Service Center Institute  
Michigan Manufacturers Association  
Minnesota Chamber of Commerce  
Mississippi Manufacturers Association  
Montana Chamber of Commerce  
Motorcycle Industry Council  
National Association of Manufacturers  
National Electrical Manufacturers Association  
National Glass Association  
National Lime Association  
National Mining Association  
National Propane Gas Association  
National Wooden Pallet & Container Association  
Nebraska Chamber of Commerce and Industry  
Nevada Manufacturers Association  
New Jersey Business & Industry Association  
New Mexico Business Coalition  
Non-Ferrous Founders' Society  
North American Association of Food Equipment Manufacturers  
North Carolina Chamber  
Oregon Business & Industry  
Paper Receipts Converting Association  
Paperboard Packaging Council  
Pennsylvania Manufacturers' Association  
Plastics Pipe Institute  
Plumbing Manufacturers International  
Portable Generator Manufacturers' Association  
Power Tool Institute  
PRINTING United Alliance  
Railway Supply Institute  
Recreational Off-Highway Vehicle Association  
Rhode Island Manufacturers Association  
Society of Chemical Manufacturers & Affiliates

South Carolina Chamber of Commerce  
South Dakota Chamber of Commerce  
Specialty Equipment Market Association  
Specialty Vehicle Institute of America  
Steel Manufacturers Association  
Tennessee Chamber and Manufacturers Association  
Texas Association of Business  
Textile Care Allied Trades Association  
The Business Council of Alabama  
The Business Council of New York State  
The Carpet and Rug Institute  
The Hardwood Federation  
The Ohio Manufacturers' Association  
The Plastics Industry Association  
The State Chamber of Oklahoma  
The Sulphur Institute  
Utah Manufacturers Association  
Valve Manufacturers Association  
Vinyl Institute  
West Virginia Manufacturers Association  
Window & Door Manufacturers Association  
Wisconsin Manufacturers & Commerce  
Wood Machinery Manufacturers of America