

Remarks by Doug Oberhelman
The Manufacturing Revolution Continues
NAM Fall 2014 Board Meeting
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Hello again to everyone and good afternoon. It's great to be here with you today. I've always found these meetings useful over the ten years I've been on the board and have enjoyed every single one of them. So I'm glad to be here again, and I'm also glad my wife, Diane, is here, too.

Today, I thought I'd do a little looking forward and a little looking backward.

Thanks and Recognitions

And as I look back, I will tell you what an honor it has been to serve as the NAM Chair these past two years -- and to serve on the NAM board for the eight years before that.

I've met and worked with some incredible men and women, including each of the chairs since 2005: John Luke, Chuck Bunch and Mike Campbell. I remember well the last two CEO's, Jerry Jasinowski and John Engler.

It was a real honor to serve as vice chair under Mary Andringa. Mary has a passion for manufacturing, and she's a well-respected and strong business leader, especially in her home state of Iowa. She's helped put the NAM, Vermeer and Pella on the map!

The NAM began to transform into the organization it is today under Mary's leadership. We tried new things -- like the first-ever NAM Presidential Forum for Republican candidates, held at Mary's company in Iowa. We implemented a new strategic plan and membership began to increase.

I'm sorry Mary's not here today, because I wanted to thank her again, publicly. It was Mary's work during her term that really got me off to a good, strong start as Chair.

It's also been an honor to work with Gregg Sherrill as my Vice Chair. Gregg has been great to work with and I've appreciated his support and advice, time and time again. And Gregg's turned out to be a great friend, too. I know he'll do an excellent job as Chair; and he's the CEO of another Illinois company! I'm going to continue to serve on the Executive Committee and look forward to staying close to the NAM over the coming years.

I know Gregg will build on what we've accomplished. I'm certain he'll make changes, too, and that's only right. Building and changing is what the NAM is all about. Just like building and changing is what manufacturing is all about. And in that way -- to build and to change -- is just about as American as can be.

Accomplishments as the NAM Chair

When I think about the time since I joined the board in 2005, a lot of significant events have occurred. But there are two very specific ones I want to focus on for a minute, events that are still shaping our companies and us.

The first is the financial crisis and the great recession that followed. We're still feeling the after-effects. The second is the election and then re-election of President Obama.

When I became Chair in 2013, those two events combined to create what I saw as a window of opportunity for manufacturers. President Obama seemed to be focused on rebuilding U.S. manufacturing, as one of many ways to increase employment. I became Chair with the full intention and commitment to speak loudly and forcefully in support of manufacturing, and to step up the NAM's profile.

I started by encouraging Jay and his team to think differently, to push the edge of the envelope. They have done that, and done it very well.

With Jay's leadership and vision, the NAM has put new tools and tactics to work. He's created a new internal culture and enhanced NAM's reputation. He's strengthened old partnerships and created bonds with nontraditional allies. We've all noticed, and appreciated, that.

As I've said, serving as the NAM Chair has been an honor, and it's been quite an education, too. I've watched this talented team try to bring order and purpose to a city – Washington, DC – where most of us only see chaos.

Over these past two years, with the board's support and a lot of hard work:

- ✓ We've recruited a strong board, and there's more C-suite involvement than ever.
- ✓ We've held events around the country, not just here in D.C., to make sure all members felt welcome. I participated in several of these events and found them very enjoyable and engaging.
- ✓ We created the NAM PAC, which has raised \$500,000 since it was launched in 2013 and convened 34 fundraising events for manufacturing champions from both parties. Remember how controversial the PAC was at the time we created it? Think about that -- and now it's turned into a great way for us to meet and talk with elected officials.
- ✓ We created the Manufacturers Center for Legal Action to protect our rights in the courts, defend the constitutional right to free speech and, through legal advisory groups, make sure our members know the risks ahead.

- ✓ We've run more than a dozen advocacy campaigns to inform and persuade officials on issues that really matter to us – trade, energy, tax and immigration reform, just to name a few.

I challenged Jay and his team to grow the NAM, and they blew the doors off. We're now a \$42 million a year organization. That's a tremendous achievement – and we're still growing!

I'm also very proud that we're attracting small and medium manufacturers to our ranks once again.

It's very important to me that the NAM benefits from the small and medium-sized manufacturer's expertise – because, frankly, Caterpillar wouldn't be Caterpillar without them. Every day, we rely on thousands of these suppliers for the seals, the ripper shanks, the electronics, castings and track links – even the cabs – that are essential components for our products.

We couldn't do it without them and I know every large manufacturer would say the same thing.

Public Policy Changes Needed

When I look forward and think about the many public policy changes needed to increase economic growth, tax reform is at the top of the list: corporate and individual tax reform.

We need a shorter, simpler, growth-focused tax code that doesn't penalize pass-through income, so smaller manufacturers can keep more of their earnings to reinvest in their businesses. We also need a tax code that keeps us competitive with other countries.

Tax reform is just one of many policy changes we need, along with comprehensive immigration reform. I've pounded on that issue over and over again, and I'll keep at it.

I haven't been very successful on this – yet – but I fully intend to succeed in the future.

With NAM's help, we have got to get the parties to work together and find practical solutions. It's incredible that something so important and so necessary can be so hard to get done.

Immigration and tax reform aren't the only issues stuck, as you know. There's a long list of what matters to manufacturers -- from trade agreements and trade promotion authority, to long term infrastructure funding, to an affordable domestic energy strategy.

The world is full of uncertainty – it seems to grow every single day – yet, I've never seen Washington so dysfunctional! Once this mid-term election is over, Congress and the White House need to work together to get this economy firing on all cylinders. It's way past time.

As NAM board members, we need you to be fully engaged to help advocate for our issues. I've learned first-hand how much more effective we manufacturers are when we stand united. That happens through the NAM. People in this town hear one powerful voice, speaking for the companies that built and changed America.

And that's how the NAM began in 1895, when manufacturers joined together to try to convince the federal government that increasing exports would help pull the U.S. out of a deep recession.

Now, about 115 years later, the NAM is also focused on promoting free trade. It's the same war, just a different battle!

The Manufacturing Revolution

Shortly after the NAM was formed the 20th Century arrived, and the great innovations of the industrial revolution continued.

I know it's called the industrial revolution, but I think we might just as easily call it the manufacturing revolution because behind every industry was a manufactured product, whether it was the elevator, the vacuum tube, a steel beam, a refrigerator or a diesel engine.

From the very beginning, the NAM was the voice of the manufacturing revolution, speaking for the tenacious companies that built and changed America. Manufacturers created entire industries and modern society by making the products people wanted to buy.

When Henry Ford implemented the moving assembly line, more efficient manufacturing made the automobile affordable for many Americans – and that meant America would need roads.

A few years later, a company named Caterpillar was formed by Benjamin Holt and C.L. Best to manufacture the track-type tractor, we also call it the bulldozer, which revolutionized farming and became the basis for the pavers, graders and trucks that built those roads and much of our national infrastructure. By the way, there's nothing wrong with building a lot of roads and dams, and bridges and infrastructure. I love construction zones full of Cat machines.

You know I'll always bring it back to Caterpillar, don't you?

In fact, I'm glad to know that Henry Ford supposedly used to say that you could buy any color Model T you want, so long as it's black, because I say you can buy any color machine you want, so long as it's Caterpillar Yellow.

The manufacturing revolution continues into the 21st Century because the same principle holds true for today's inventions. Whether it's 3D printers, hybrid vehicles or dual-fuel engines – these products only become real when a manufacture makes them.

Now, there's even better news. In the 21st Century, the revolution has expanded to how we manufacture. Highly skilled women and men operate the sophisticated controls and robotics that are now permanent fixtures on factory floors. We're not just 100 years; we're light-years beyond the early 20th Century, when parts moving along a conveyor belt was a marvel.

We are constantly innovating and improving, making factories safer while at the same time using less energy, less water and creating less waste.

We're now in the midst of a sustainable manufacturing revolution, and we're going to see even more innovative and amazing changes ahead. I can't wait.

For that and dozens of other reasons, I'm pretty sure you agree that the United States needs to remain a nation that builds and changes – now, as much as ever. And that manufacturers can help this great economy realize its full potential if we stick together and speak together.

So, please be engaged and stay engaged!

We need a unified, powerful voice to make sure government policies support manufacturing. The NAM is that voice: Powerful, loud, and clear.

Thank you.