



December 2, 2009

The President
The White House
Washington, DC 20500

Dear Mr. President:

The National Association of Manufacturers (NAM) is pleased that you are convening the White House Forum on Jobs and Economic Growth on December 3. As you have observed many times, the U.S. manufacturing sector drives growth and job creation, and industry must play a central role as the United States works to emerge from the deep economic recession.

We at the NAM stand ready to assist you in advancing a growth and jobs strategy that builds on a strong manufacturing base to serve our entire nation. In recent weeks you have emphasized the importance of exports in ensuring domestic growth, and we heartily endorse the necessary action to promote world trade. Tax policy must also figure prominently in any growth strategy, as the United States continues to be disadvantaged by having the second highest statutory corporate tax rate in the industrialized world.

For the White House Forum to focus most effectively on creating jobs and long-term economic growth, the NAM recommends it emphasize transportation and energy infrastructure. Investments in these areas not only create jobs, they also help build a foundation for U.S. competitiveness. They belong at the heart of any jobs and growth strategy.

Transportation – A Multiyear Surface Transportation Act

Transportation is more than just mobility for people and goods. Transportation investments preserve and grow high-wage manufacturing jobs in the transportation materials and equipment supply chain. We believe Congress should enact a multiyear surface transportation authorization bill as soon as possible. Extensive delays do not preserve jobs and do not benefit our economy, safety or quality of life. The surface transportation authorization must be a national priority.

NextGen – A 21st Century Air Traffic Control System

A transition from an antiquated air traffic system designed in the 1950s to a modern, digital and fully integrated 21st Century Next Generation Air Transportation System (NextGen) should be part of a renewed federal commitment to infrastructure. The nation's air transportation system requires significant investment from public and private sources to deliver benefits to the

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traveling public and other users of the system. U.S. competitiveness in the aviation sector is being aggressively challenged by the European Union, and the United States will be outpaced if we do not consider the transition to NextGen as a serious national objective. We hope that you will help elevate the NextGen deployment that will employ thousands of engineers, software developers and other high-tech workers while delivering a modernized aviation infrastructure. As the primary agency overseeing this area, the Federal Aviation Administration (FAA) should accelerate its efforts in this area.

Inland Waterways — Rebuild Locks, Dams and Facilities

Manufacturers are also concerned with the deteriorating condition of the U.S. inland waterway system, because it is a workhorse in moving freight, as well as transporting coal for power generation, petroleum for domestic manufacturing and agricultural products to market for export. We hope that the U.S. Army Corps of Engineers and the inland waterway users can reach an agreement on a 20-year capital plan that will serve as a guide for future long-term investments. However, we are opposed to a new inland waterway user fee proposed by the Administration, which will lessen the competitiveness of the waterway option and disproportionately affect major industry and agricultural waterway shippers.

Smart Grid — Modernize Transmission System and Deploy 21st Century Technology

The NAM appreciates that your Administration has emphasized development of a more energy-efficient, intelligent and robust power grid, including funding for this “smart grid” in the stimulus legislation. Modernizing how this nation moves and generates power not only represents a market opportunity for manufactured goods but will provide an estimated 7 percent efficiency gain and reduce consumption. The smart grid should create the ability to optimize traditional fuel sources, improve integration of renewable sources, and allow for distributed generation to reduce the impact manufacturing has on the environment, while still meeting consumers’ growing energy demands. Investing in a smart grid today means creating a reliable transmission system that reduces the need for building additional capacity and allows us to better manage energy demand with available resources. All of this will assist U.S. manufacturing, which uses roughly 30 percent of our nation’s electricity, as it strives to compete in the global marketplace. The Federal Energy Regulatory Commission (FERC), the principle agency responsible for the grid, should emphasize and accelerate the smart grid’s deployment.

Energy Efficiency – Encourage Investment and Research in Energy Technology

Manufacturers have long been leaders in promoting energy efficiency to conserve resources and save dollars. Tax incentives can encourage expanded investment in these technologies and the jobs they create, while government support for research and development

can help drive even more technological advances. Tax credits are also important for energy efficiency projects such as commercial and residential improvements on windows, doors and insulation. Government also should be a leader in retrofitting all government-owned structures to achieve maximum energy efficiency.

Nuclear Power — Double to 40 Percent Generation of Electricity from Nuclear Plants

Nuclear power represents a significant opportunity for this country to address the pressing issues of economic competitiveness, mitigating carbon dioxide emissions and securing our energy future. At present, the 104 nuclear power plants in 31 states provide 20 percent of the U.S. electricity supply. This represents more than 70 percent of our emission-free energy and is one of the lowest-cost providers at about 1.72 cents per kilowatt-hour. In spite of the economic slowdown, energy demand is expected to grow by at least 40 percent by 2030. Nuclear power is the cleanest, most reliable and affordable way to achieve scalable power generation. It also represents tremendous workforce opportunities. The typical nuclear power plant creates more than 14,000 high-quality jobs for skilled workers during pre-construction activities and 2,400 jobs during construction. Power plants also employ about 700 permanent high-wage workers during their operational lifetime. The NAM has created the Nuclear Energy Workforce Coalition to leverage the vast supplier network that our members represent and to work toward ensuring that new nuclear power is part of our energy future. The Nuclear Regulatory Commission should make it a priority to accelerate this next, critical phase of growth for nuclear power in the United States.

Energy Infrastructure — Thousands of Miles of Pipelines

The Canada-to-Wisconsin oil sands pipeline, known as the Alberta Clipper project, will help ensure domestic energy security by being able to offset supply disruptions in the Midwest, reducing U.S. dependence on oil obtained outside North America and creating much-needed jobs. The project will include approximately 1,000 miles of new pipeline with approximately 327 miles installed within the United States. While delivering an average of 450,000 barrels per day of heavy crude from a supply hub in Alberta to an existing terminal in Wisconsin, the new economic activity associated with refinery upgrades and construction of the pipeline will create 10,000 new construction jobs and an additional 500 permanent full-time jobs in the United States. The federal government can expedite the siting of future pipelines by fast-tracking approval by regulatory bodies.

FutureGen and Carbon Sequestration — Cleaner and More Affordable Energy

FutureGen is a public-private partnership to design, build and operate demonstration coal-fired, near-zero emissions power plants that will use cutting edge technologies to generate

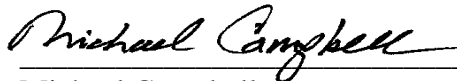
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electricity while capturing and permanently storing carbon dioxide beneath the surface of the Earth. The integration of these technologies increases the competitiveness of U.S. industry by capitalizing on vast domestic coal reserves while achieving emissions and energy efficiency goals. The FutureGen project will demonstrate industry's ability to deploy coal-fired electricity with carbon capture and sequestration on a commercial scale. Each individual project will generate 275 megawatts of electricity and provide power, on average, to approximately 150,000 U.S. homes. For manufacturers, its great promise lies in the prospect of an affordable and reliable supply of baseload power.

Of course, these are not the only issues that concern U.S. manufacturers. We had previously communicated many of the NAM's priorities in a letter to you before you assumed office. The NAM's Economic Report for December 2009 also provides more detailed discussion of the economic realities manufacturers face and the significant risk factors ahead (enclosed).

On behalf of the NAM, our 10,000 members and the millions of manufacturing workers they employ, we extend best wishes to you and your Administration for a productive White House Forum on Jobs and Economic Growth.

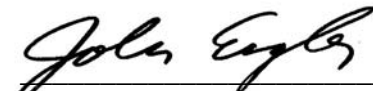
Sincerely,



Michael Campbell
Chairman, NAM
President, CEO
Arch Chemicals Inc.



Mary Andringa
Vice Chairman, NAM
President and Chief Executive Officer
Vermeer



John Engler
President, NAM

Enclosure