



Oregon's Senator Jeff Merkley



Made in Oregon Tour

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U.S. Senator Jeff Merkley's

Made in Oregon Tour

Manufacturing built America and the middle class. But manufacturing in America has drastically changed in recent decades. In just the last ten years, America has lost almost 5 million manufacturing jobs and 50,000 manufacturing facilities (Source: Bureau of Labor Statistics). Senator Jeff Merkley has long said, "If we don't build things in America, we won't have a middle class in America."

Supporting policies that will slow the offshoring of manufacturing jobs and instead bring new manufacturing jobs to Oregon are key priorities for Senator Merkley. This month, the Senator will kick off a "Made in Oregon" tour that will highlight companies manufacturing products across Oregon, providing middle class jobs for Oregonians and improving our economy.

Senator Merkley will be meeting with business owners and managers across the state to discuss what's working for Oregon's manufacturers, their challenges, and what policies can help restore jobs here in Oregon and across America.

Make Manufacturing a Priority

As a member of the Senate Manufacturing Caucus, Senator Merkley is committed to finding solutions to increase manufacturing in America while working to end unfair trade practices abroad that hurt domestic manufacturing. America has made progress in key areas but Senator Merkley believes the future of our nation depends on the health of American manufacturing.

Create a Level Playing Field for American Manufacturing

U.S. manufacturers produce innovative and quality products that are sold to customers around the world. Without a doubt, American workers and businesses can compete with anyone in the world when we have a fair playing field. Unfortunately, some countries have expanded their manufacturing sectors with unfair and illegal practices. In particular, China's four-tiered industrial policy has distorted free markets and cost Americans good manufacturing jobs. China has given state-backed companies, industry sectors, and suppliers enormous advantages with a combination of:

- Weak labor and environmental standards,
- Currency manipulation,

- Direct government subsidies, and
- Discriminatory actions against American businesses, including abuse and theft of intellectual property.

We must shine a light on the massive subsidies that cheat manufacturers in America and around the world. Senator Merkley has been a leading voice in the Senate to hold China accountable for violating its commitments under international agreements. He has been a strong supporter of legislation to take a hard line on China's manipulation of its currency, which acts like a massive subsidy for Chinese exports and tariffs on American imports. Senator Merkley has also led the Senate effort to push U.S. Treasury Secretary Tim Geithner to pressure China to end manipulation of its banking system, in particular the below-market loans that subsidize its manufacturers.

The Senator achieved a modest but meaningful victory last year in the fight against China's massive industrial subsidies. Senator Merkley led a bipartisan group of senators introducing a bill that would force the U.S. Trade Representative (USTR) to detail the domestic subsidies of any country that does not notify the World Trade Organization of its own subsidies, as required by law. Within a week of the bill's introduction as an amendment to the China currency legislation, the USTR filed the first such "counter-notification" ever against China and India, documenting over 200 different Chinese subsidies alone.

But these are only first steps. More must be done to protect American industries that are targeted by unfair foreign subsidies. Direct impact of such subsidies can be seen right here in Oregon. Oregon's solar industry is being threatened by Chinese solar manufacturers and the paper mill industry is holding on in the face of Chinese competitors who, due to similar state subsidies, produce paper cheaper than the cost of supplies here in America. Senator Merkley supports efforts by President Obama to better coordinate our trade enforcement. He believes we should take additional steps to formalize this effort and provide additional tools to take on trade cheating, including protecting American companies from retaliation.

At the same time, our nation must work to expand opportunities for U.S. manufacturers to develop export markets. In particular, we must continue to support the National Export Initiative to help small and mid-size enterprises export U.S. manufactured products and encourage the U.S. Commercial Service to strengthen its efforts to aide U.S. businesses in exporting their products.

Incentivize Domestic Manufacturing

Creating jobs is the number one priority of the American public today. While our economy continues its recovery from the economic downturn, American businesses are still struggling and the need for new jobs remains high. That is why it is crucial for the federal government to help entrepreneurs and new innovative industries get off the ground, and to incentivize domestic manufacturing within established industries.

From authoring and passing the Jump Start Act, which allows start-up small businesses to double their tax deduction for start-up expenses, to working to end tax benefits that support offshoring jobs, Senator Merkley is fighting to encourage manufacturing in America and stop wasteful tax breaks that only help ship American jobs overseas.

Targeted tax credits can play a huge role in helping both new technologies break into the market and also support domestic manufacturing. We must continue to push for an extension of the advanced manufacturing tax credit that would enhance the domestic clean technology industry as well as fight to close tax loopholes that reward corporations that ship jobs overseas.

Additionally, Congress must pass the reauthorization of and strong funding for the Economic Development Administration and the Small Business Innovation Research (SBIR) and Technology Transfer (STTR) programs.

Support Clean Energy Manufacturing

If you take a drive around the state it is evident that Oregon has emerged as a leader in clean energy development. Oregon reaps tremendous benefits from clean energy development, including jobs, local revenue, and reduced pollution. Naturally, the benefits are significantly higher when the wind turbines in the Gorge, the solar panels on rooftops and the wave buoys in the ocean are made here in the U.S., and preferably in Oregon. The manufacturing of clean energy represents a huge opportunity for America and we must harness that opportunity.

One path to seizing this opportunity is to create demand for American-made clean energy products. Senator Merkley has led the effort in the U.S. Senate to pass energy-efficiency renovation programs that would provide low-cost loans to families and businesses to upgrade their homes and buildings. The majority of energy efficiency products are manufactured in America. The cotton candy pink insulation produced by Owens Corning in Gresham and the energy-efficient doors and windows produced in Klamath Falls by Jeld-Wen are just two examples of how energy-efficiency renovation programs can support domestic manufacturing.

Another key piece in supporting clean energy manufacturing is passing an extension of the Production Tax Credit and other tax credits that support continuing clean energy investment.

Help Businesses Access Capital

Surveys of small business owners have revealed that a lack of access to capital to invest in their businesses is one of the major barriers to their ability to grow and create jobs. Indeed, the 2008 financial crisis, in which exploding mortgage loans and the collapse of risky speculative investments by large financial institutions led to a near shutdown in the basic day-to-day lending that main street businesses rely on, continues to make it hard for many businesses to get loans.

Congress passed Senator Merkley's bill to modernize financial regulations to encourage "crowdfunding," a new approach to enable small and startup businesses to harness the power of the internet to raise capital from large numbers of small investors. In 2010, Congress passed a law, led by Senator Merkley, creating a Small Business Lending Fund at the U.S. Treasury that assists community banks with capital investments to enable them to lend to local businesses.

In order to make sure banks focus once again on lending to promising businesses, rather than high-stakes trading on Wall Street, we must continue pushing the Federal Reserve and financial regulators to establish a strong "Volcker Rule" firewall. This policy, passed by Senator Merkley as part of 2010 Wall Street reform legislation, protects the stability of family and business lending by creating a firewall against the high-risk hedge fund style investing that contributed to the 2008 financial crisis.

Support Workforce and Education Needs

A key element of any manufacturing facility in America includes the workforce. In the global economy of today, education and training are crucial to the competitiveness and success of our economy. K-12 students need the tools and basic skills for success whether their post-secondary career path take them directly to the work world or onto higher education.

Senator Merkley is the lead author of the *Preparing Students for Success in the Global Economy Act*, a cutting-edge bill to advance the kind of Science, Technology, Engineering and Math (STEM) education the American economy needs to compete. The Act has been included in the Senate's bipartisan proposal for reforming the "No Child Left Behind" (NCLB) law.

In addition to reforming NCLB, America must have robust federal investments in targeted workforce training programs through the Workforce Investment Act, Employment Service Act, Perkins Career and Technical Education Act, and Manufacturing Extension Partnership. Senator Merkley supports the extension and funding of these critical programs.

Spend American, Buy American

It has been longstanding policy that when the federal government spends taxpayer dollars on federal procurement or public infrastructure, such as roads, bridges, and railroads, it should be looking first to American companies to provide the goods and services. We must close loopholes and make sure that existing “Buy America” provisions are upheld in transportation programs.

For example, one loophole lets projects be broken into segments to evade existing Buy America rules. The Bay Bridge in Oakland, CA, is funded by American taxpayers but being built in China, by a Chinese company, using Chinese steel and Chinese workers. Senator Merkley succeeded in passing an amendment to the Senate transportation bill that will close this loophole.

Make Government Work for Manufacturing

The government has a role to play both in encouraging manufacturing and in establishing clear safety, health, and environmental guidelines to protect Americans. As many Oregon business leaders will attest, Oregon’s success in protecting its natural resources and maintaining clean air and water create many advantages for Oregon businesses, and fair ‘rules of the road’ are key to helping responsible businesses compete and succeed. At the same time, for Americans to jump-start and grow new manufacturing businesses, we have to ensure that businesses can move quickly from idea to market and that regulations are fair and based on common sense. Rules and regulations need to be derived from solid analysis and accurate information in order to be sure they fit the practicalities of running a business.

When wood products manufacturers told Senator Merkley that the Environmental Protection Agency’s (EPA) proposed rules to limit pollution from industrial boilers burning biomass were simply unworkable, and that no facility in Oregon could meet the standards, he successfully pushed EPA to slow down and ease the proposed rules. In addition, the Senator succeeded in inserting provisions into the Senate’s transportation bill to end duplicative environmental impact statements for streetcar projects built on existing urban streets. Finally, at his urging, the process for designating HUBZones has been streamlined to make sure Central Oregon businesses are able to compete for federal contracts.

At the same time, Senator Merkley opposes efforts by Wall Street and its allies to slow down the needed reforms to make our financial system more stable and protect taxpayers from further bailouts.

Conclusion

Manufacturing helped build America's middle class and now the loss of manufacturing jobs threatens our economic future. If we take the necessary steps and engage in a serious discussion about the future of manufacturing in America, we can end the massive offshoring of jobs and create a brighter future for Oregon and America. Manufacturing is still a strong and important part of our economy and we must make sure that it is successful long into the future. Our economy and our middle class are counting on it.

Companies Participating in Senator Merkley's *Made in Oregon* Tour

AE Solar Energy (Bend, OR) - Barhyte Specialty Foods (Pendleton, OR) - Bike Friday (Eugene, OR) - Blount International (Portland, OR) - Boise Cascade (Medford, OR) - Bulk Handling Systems (Eugene, OR) - Classic Trolley (Medford, OR) - Cropper Medical (Ashland, OR) - Deschutes Brewery (Bend, OR) - Electrical Geodesics, Inc. (Eugene, OR) - General Sheet Metal Works, Inc. (Clackamas, OR) - Harry and David (Medford, OR) - Jeld-Wen (Klamath Falls, OR) - JV Northwest (Canby, OR) - Kialoa Paddles (Bend, OR) - Kinro West RV Windows (Pendleton, OR) - Life Technologies (Eugene, OR) - Medford Fabrication (Medford, OR) - Mercer Windows (Beaverton, OR) - Murphy Company (Eugene, OR) - Ninkasi Brewing (Eugene, OR) - NW Aluminum Specialties (The Dalles, OR) - Oregon Iron Works (Clackamas, OR) - Outback Manufacturing (Bend, OR) - Pendleton Woolen Mills (Pendleton, OR) - Pioneer Pump (Canby, OR) - Rising Sun Farms (Phoenix, OR) - Service Steel (Portland, OR) - Structus Building Technologies (Bend, OR) - The Greenbrier Companies (Portland, OR) - Turtle Island Foods (Hood River, OR) - Vigor Industrial (Portland, OR) - Widmer Brothers Brewing (Portland, OR) - Willamette Valley Company (Eugene, OR) - Williams Control (Tigard, OR)

SENATOR MERKLEY'S MANUFACTURING PRIORITIES

Create a Level Playing Field

- Increase enforcement against unfair trade practices, particularly China's four-tiered strategy of weak labor and environmental standards, currency manipulation, direct government subsidies, and policies that support the abuse and theft of intellectual property.
- Create a Trade Enforcement Strike Force to combine the efforts of federal agencies that handle different aspects of international trade into a streamlined and focused effort to protect American manufacturers from unfair foreign trade practices.
- Require the U.S. Trade Representative to file "counter-notification" for any country that does not notify all World Trade Organization members of subsidies.

Incentivize Domestic Manufacturing

- Extend the doubled tax deduction for small start-up businesses (Jump Start Act), the advanced manufacturing tax credit, and create a long-term research and development (R&D) tax credit.
- Support the U.S. Export-Import Bank, Economic Development Administration, National Export Initiative for small and medium-sized businesses, and Small Business Innovation Research (SBIR) and Technology Transfer (STTR) programs.
- Close "Buy America" loopholes and end offshoring tax deductions.
- Grow clean energy manufacturing in Oregon, using programs that support energy-efficiency renovations and policies like the Production Tax Credit for wind energy.

Help Businesses Access Capital

- Modernize financial regulations to encourage "crowdfunding" – letting businesses take advantage of the internet to raise capital from large numbers of small investors.
- Encourage banks to increase lending to financially-sound businesses through programs like the Small Business Lending Fund that assist community banks with capital to lend to local businesses.
- Protect the stability of loans for families and businesses through strong implementation of the "Volcker Rule" firewall, which keeps loan-making banks from high-risk hedge fund-style investing.

Support Workforce and Education Needs

- Expand investment in Science, Technology, Engineering, and Mathematics (STEM) education programs for students and teachers.
- Fund critical workforce training investments including the Workforce Investment Act, Employment Service Act, Perkins Career and Technical Education Act, and Manufacturing Extension Partnership.