



**Motor & Equipment Manufacturers Association
Written Statement Submitted to the
President's Council on Jobs and Competitiveness
January 17, 2012**

The Motor & Equipment Manufacturers Association (MEMA) represents more than 700 companies that manufacture motor vehicle parts for use in the light vehicle and heavy-duty original equipment and aftermarket industries. MEMA represents its members through four affiliate associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA), Motor & Equipment Remanufacturers Association (MERA) and Original Equipment Suppliers Association (OESA).

Motor vehicle parts suppliers are the nation's largest manufacturing sector, directly employing over 685,000 people across the country. This industry is also the largest manufacturing sector in eight states – Indiana, Kentucky, Michigan, Missouri, Ohio, Oklahoma, South Carolina and Tennessee. Given that every supplier job creates close to five other jobs, motor vehicle parts suppliers contribute to over 3.2 million jobs across the country. Countless communities and families depend on the quality jobs this industry provides.

MEMA appreciates the opportunity to provide this written statement to the President's Council on Jobs and Competitiveness. We strongly urge the administration and Congress to identify and advocate for policies and programs that will help improve and strengthen the nation's economy, and in so doing, foster an environment in which the motor vehicle parts supplier industry as well as other domestic manufacturing sectors can grow and thrive.

For parts suppliers, we see the following six areas as critical to our industry's continued vitality:

Focus on Advanced Vehicle Technologies

Parts suppliers, working with vehicle manufacturers, are taking on an increased role in the development and deployment of the advanced technologies necessary to improve vehicle fuel efficiency and emissions. Light-duty parts suppliers alone account for 30 percent of total automotive investment in research and development and continue to assume a greater role in the design, testing, and engineering of new vehicle parts and systems. Moreover, a recent study found that suppliers now account for as much as 70 percent of the value-added in the manufacturing of motor vehicles.

As a necessary requirement needed to fulfill this role, parts suppliers must have independent access to loans and grants that foster new technology. MEMA strongly supports efforts to pass legislation (S. 734 and H.R. 1367) introduced by Sen. Debbie Stabenow and Rep. Gary Peters that would authorize specific goals and priorities for existing vehicle technology research, development, demonstration, and deployment programs at the Department of Energy that focuses on near-term and long-range vehicle technologies. MEMA also urges the administration to examine the Department of Energy's Section 136 loan program and find a way to make it more applicable to suppliers, including those that serve the medium- and heavy-duty markets. Finally, MEMA continues to oppose any attempts to reduce funding for other valuable research and development programs within the Department of Energy.

Realistic Regulatory Environment

MEMA cautions implementing regulations that cause harm and inhibit the ability of companies to make sound business decisions. MEMA continues to be disappointed with the level of unprecedented activity at the National Labor Relations Board (NLRB) that is certain to disrupt employer-employee relations and overturn decades of legal precedent. MEMA specifically opposes the NLRB's final rule requiring employers to post a notice outlining an employee's right to unionize and its proposed rule that would shorten the time frame during which a union election can be called. These two rules, when combined with a Department of Labor's rule that would change reporting requirements for companies seeking counsel in matters regarding union elections and collective bargaining, unnecessarily and arbitrarily threaten the ability of parts supplier companies to focus on what should be the primary goal of both the government and the private sector – sustaining and creating jobs.

Tax Climate Conducive to Growth

The administration and Congress must work together to create tax policies that provide certainty and the ability to grow and invest here in the United States. Our members especially encourage support for the Research and Development Tax Credit and believe the tax credit should be extended as it encourages domestic investment in R&D for the technologies needed to achieve the goals of increased fuel economy, emissions reductions, and vehicle safety. MEMA also supports examining the corporate tax rate and other tax structures that inhibit global competitiveness. While these are not easy areas to address, particularly when policymakers need to be mindful of reducing the nation's debt, the benefits of a tax policy that allows for greater investment in domestic manufacturing will help lead to a stronger economy that is putting more people back to work.

Trade Initiatives that Further Expansion

MEMA was very pleased to see the passage of Free Trade Agreements with Colombia, Panama and South Korea. Congress and the administration must continue to focus on opening markets to products that are produced in the United States. This would include expanding the Trans-Pacific Partnership (TPP). It is our hope that the TPP serves as a model agreement that breaks down barriers to trade, whether those barriers are high tariffs, mercantilist policies, intellectual property rights violations, or regulatory and technical burdens.

Transportation Reauthorization

All manufacturing sectors depend on effective, efficient, and reliable transportation. Parts suppliers in particular must be able to provide their customers with materials and products in a timely manner. Additionally, many important safety initiatives operate through the U.S. Department of Transportation. As such, MEMA strongly supports transportation reauthorization and highway funding initiatives. Passage of transportation authorization legislation would provide the funding necessary for the nation's infrastructure needs as well as the critical framework of the nation's highway safety regulatory structure.

Worker Training to Meet the Needs of a Changing Industry

To keep pace with advances in technology, today's workforce is being called upon to be more nimble and adaptable than ever before. This is particularly true for parts suppliers. MEMA supports initiatives and partnerships to help workers receive the training necessary to meet the changing needs of our industry and is looking forward to working with the administration and with Congress in promoting such programs.

To conclude, MEMA and its member companies are committed to working with Congress and the administration to offer its input as the nation's largest manufacturing sector on issues facing domestic manufacturing. The challenges may be great, but so are the potential rewards. This industry is providing the world with products that are making vehicles safer and more fuel efficient. The jobs that supplier companies provide are supporting hundreds of thousands of families across the country. This is the time to find answers to the challenges we face to carry us securely and confidently to a prosperous future.