

Manufacturing Matters in Michigan

Manufacturing Summit – Consensus

During the Summit consensus was reached on actions that can be taken at the federal and state levels to create a better business environment to improve the competitiveness of manufacturing. Governor Granholm, along with participants in the summit, will take the Summit's recommendations for changes at the federal level to Washington and work with other governors to lobby for those changes. At the state level, the Governor will work with business and labor to take the next steps.

Federal Issues

International Trade

A level playing field for manufacturing must be created. Summit participants believe that international trade regulations are not adequately enforced by the federal government, which is negatively impacting the competitiveness of the U.S. manufacturing base.

Changes needed:

- Stop currency manipulation
- Make countries live up to their World Trade Organization commitments
- Protect the intellectual property of American companies
- Insist our trading partners eliminate non-tariff barriers

Workforce Training and Development

A well-educated and skilled workforce is essential for the success of manufacturing in Michigan and the U.S. Workforce training and technical assistance for small- and medium-sized companies and R&D are key to developing that workforce.

Changes needed:

- Increase federal funding for job training and gain more flexibility in the grants to retrain current workforce
- Restore and increase funding for the Manufacturing Extension Program
- Capture a larger share of federal funding for R&D development

Rising Pension and Health Care Costs

Companies want to provide appropriate pension and health care benefits to their employees, but the skyrocketing cost of those benefits must be addressed and curbed. Those costs negatively impact competitiveness when companies are forced to divert money from R&D and hiring to cover those liabilities.

Changes needed:

- Replace the 30-year Treasury rate with a rate based on long-term corporate bond indices
- Collaborate with business and labor to develop practical steps for federal actions to reduce costs and improve access as well as the quality and efficiency of the health care system.
- Secure more funding for the uninsured and the underinsured

US - Canada Border Infrastructure

Manufacturers trade parts and finished goods across North America and around the globe. Customs procedures must be simplified and automated to facilitate the flow of low-risk goods.

Changes needed:

- Seek federal funds to add technology, personnel and capacity to streamline entry across the U.S.-Canadian border
- Improve coordination among federal agencies responsible for the border
- Accelerate the development of a process for firms shipping large volumes across borders to allow self-certification and sealing of trucks

Energy Policy

The US needs diversified, affordable, reliable, new domestic and competitive sources of energy, such as clean coal, oil, natural gas, hydro, solar, wind, alternative feed stocks and biomass, and investment in infrastructure, as well as a national focus on conservation.

- Argue for a thoughtful approach to energy policy that supports manufacturing, is reliable and promotes the use of diverse energy sources

State Issues

Taxes

Michigan must be competitive with other states in relationship to overall business costs, especially for its manufacturers. We need to strike the right balance between low taxes and essential services that are critical to Michigan's economic well-being.

First steps:

- Reauthorize MEGA with more emphasis on retention
- Direct State Treasurer Jay Rising to examine state business tax structure and the need for change
- Fix the special tools rule

Workforce Issues

Michigan must have an education and training system that provides graduates with the skills and knowledge to compete in the workplace and to continue their education. It must support manufacturing firms in building their human capital.

First steps:

- Align and integrate economic and workforce development
- Promote innovation and entrepreneurship
- Elevate the role of community colleges
- Establish regional skills alliances
- Focus like a laser on improving basic skills through rigorous grade level content expectations in math, science, and reading

Health Care

Michigan's population is less healthy than the U.S. as a whole. This contributes to Michigan's health care costs being higher than the national average.

First steps:

- Encourage public-private partnership to promote healthy lifestyles and disease prevention
- Work together to establish best practices
- Form a smaller work-group to formulate national health care actions

State Permitting

Michigan must streamline its permitting process to be competitive with other states in terms of how quickly permits and applications are processed.

First steps:

- Create a single State website for individuals or businesses seeking licenses or permits
- Eliminate unnecessary forms, procedures, or requirements
- Assist applicants for permits or licenses with web-based tools
- Capture permitting and licensing data once

- Enable on-line tracking of permit and licensing status
- Develop master applications packages for complex projects
- Initiate the PLEDGE pilot
- Allow for air quality permitting review and decision within 120 days
- Guarantee fixed dates for decisions
- Update information on the web daily