

Remarks of the Honorable John Engler
President and CEO of the National Association of Manufacturers
before the
US Senate Homeland Security and Governmental Affairs Committee

“Lobbying Reform: Proposals and Issues”
January 25, 2005

Chairman Collins, thank you for the opportunity to be with you today.

I am John Engler, President of the National Association of Manufacturers, a 501(c)6 tax exempt trade association. We were formed in 1895 and for the past 110 years we have played a unique role in promoting a strong manufacturing economy and economic growth, resulting in higher living standards for all Americans.

The NAM represents more than 14 million workers in the manufacturing economy. Every day, the members of our Association and our staff, exercise the fundamental constitutional right to petition, or contact, our government and its elected leaders.

In simple terms, we lobby Congress and the executive branch to educate and inform about the impact of legislation, executive actions and other public policy on the manufacturing economy of this country. And even though recent excesses and criminal activities by one lobbyist is fodder for the headlines, lobbying is not a new phenomenon.

In fact, in the 1830s, Alexis de Tocqueville marveled at our unique American tradition with citizens “of all ages, all conditions, and all dispositions constantly forming association.”

In the fast-paced 21st Century, information is moving at a blinding speed. Access to that information is essential for policy makers to make informed decisions and that is why people form associations to lobby for their interests, or hire an individual or firm to do so for them.

Given the workload of Congress, time doesn’t allow our elected leaders to be completely familiar with the complexity and nuance of every issue before them, and the impact of every piece of legislation on real people in the real world.

At the NAM, we educate Senators, Members of Congress and their staff through personal meetings and phone calls; via letters, faxes and emails from our staff and membership; by providing essential data, research and analysis; by travel outside of Washington to tour manufacturing facilities (all approved by Ethics Committees); and by facilitating personal meetings and dialog between legislators and our members in the home districts and states. For the record, Chairman Collins, I would like to submit two examples of our Congressional Staff Tours. I think you will see by these agendas that these tours provide a valuable, first-hand education about the importance of manufacturing to our nation's economy. They are bipartisan and educational, and Congressional staffers have unfettered access to leaders and works at manufacturing facilities.

Curtailling – or making more complicated – any of these educational processes will impede the ability of our membership to provide input on issues before the Congress that directly impact the livelihoods of Americans and the overall economic welfare of our country.

Elected leaders who cherish our unique freedoms outlined in the Bill of Rights to our Constitution should act carefully to ensure that the ability of Americans to educate and inform our elected leaders is not restricted. Chairman Collins and distinguished Senators, we live in America – and in America our elected officials do not hide from those they represent.

I have been in politics long enough to know Congress will react to the recent scandals by adopting new rules of legislation of some sort in the near future. Whatever occurs, it is imperative that you do not overreact. Just as a majority of Senators and Members of Congress have always conducted themselves in a legal and ethical manner; so, too, have a vast majority of lobbyists.

Therefore, as you develop proposals to reassure the American people that our government is not for sale, I urge you to consider the following:

- First, current laws and rules are imposing serious penalties on those who have abused the public trust. A lobbyist is going to jail. A former Member of Congress is likely going to jail. The system caught them. Additional laws and rules are not needed to make them pay the price.
- Second, Congress must not treat all who are classified as “registered lobbyists” the same. There is a distinct difference between for profit, high profile specialist lobbyists and the work of associations, companies and causes who lobby directly for an organized interest or membership. My association, as I suspect are the vast majority of associations, is governed by a Constitution, by-laws, governing bodies with fiduciary responsibility,

and the direct involvement of our members. There is an obvious distinction between 501(c)6 membership trade organizations and the hired lobbyist.

- Third, in an attempt to limit “gifts” and meals, do not create a paperwork nightmare for trade organizations and their members that legitimately use working meals and similar functions to educate elected leaders and staff. A hamburger is not going to change the mind of an elected leader about a policy proposal.
- Fourth, as you focus on obvious excesses, do not limit the ability of trade associations and their members to sponsor out of Washington activities that educate policy-makers on the real-life impact of their actions. Globalization requires that elected leaders see firsthand how manufacturing facilities operate and what challenges they face from international competition.
- Fifth, the concept of personal responsibility was the bedrock of many changes in Federal law promulgated by Congress after the 1994 party change. That concept is now needed more than ever and Congress must look inward and adopt measures to seriously enforce the rules it has already imposed on itself before it attempts to blame others for its own failures and create a morass of new rules and regulations directed at lobbyists.

Before I came to the NAM, I spent 32 years in public office – 20 years as a member of the Michigan state legislature and 12 years as Governor. During that time, countless thousands of individuals attempted to influence my opinion on the issues of the day. Those individuals were comprised of everyday citizens, teachers, law enforcement officers, union members, business executives, students, retirees and yes, even registered lobbyists.

And I can say that, although my goals and guiding principles of government never changed, my opinion on a specific provision or nuance contained in a piece of legislation or executive action sometimes did. Was the fact that I might make or offer a change in a policy proposal a result of undue influence? Of course not. It was a result of persuasive arguments that my constituents – and their representatives – made about how a well-intentioned proposal might sometimes contain language that would result in the opposite effect than the original altruistic intention.

Had the people of Michigan and their representatives been subjected to the tyranny of statutes, rules, regulations and mounds of expensive and time-consuming paperwork in order to express those opinions, history might have been different.

To be sure, the recent scandals are an example of what can go wrong when greed and arrogance supersede honor, judgment and sound public policy. Those who broke the law can – and should – be punished. Law-abiding, hard-working Members of Congress, Congressional staff and lobbyists should not be.

Personal responsibility and personal integrity are absolutes in public office. If the public trust is violated, the offending parties must pay the price. In responding to such a violation, eroding and impeding opportunities for the American people to contact their elected representatives is not the answer.

Thank you, Chairman Collins and members of the Committee, for your time.

**Georgia Congressional Staff Tour
Greater Atlanta Area
January 11-13, 2006**

Itinerary

Wednesday, January 11

Congressional staff guests arrive at Hartsfield-Jackson Airport and are transported by bus to our first tour site. Please note that all staffers will be housed at the Omni Hotel at CNN Center, 100 CNN Center in Atlanta.

12:30 p.m. **Company Visit and Working Lunch:** Plant Wansley—Georgia Power
2:30 p.m. Company, 1371 Liberty Church Road, Carrollton

Georgia Power is the largest subsidiary of Southern Company, one of the nation's largest generators of electricity. The company is an investor-owned, tax-paying utility, serving customers in 57,000 of the state's 59,000 square miles. Georgia Power's rates are below the national average and its 2 million customers are in all but six of Georgia's 159 counties.

2:30 p.m. Bus departs

3:30 p.m. - **Company Visit:** Illinois Tool Works, Inc., Gale Wrap, 1320 Leslie Drive,
5:00 p.m. Douglasville

Illinois Tool Works Inc. is a global producer of products and systems that add value to other manufacturers' products and which operates over 600 manufacturing facilities around the world. The facility you will visit in Georgia produces stretch film and related special products. For more information please visit our web site at www.itw.com.

5:00 p.m. Bus Departs; Check-in, Omni Hotel at CNN Center, 100 CNN Center, Atlanta

6:15 p.m. Bus departs for dinner location

6:45 p.m. **Reception and Dinner:** Maggiano's Little Italy, 3368 Peachtree Rd., Buckhead

Thursday, January 12

7:30 a.m. Breakfast Buffet Available



Thursday, January 12 – continued

8:45 a.m. Bus departs

9:00 a.m. **Company Visit:** *The Coca-Cola Company, 3791 Browns Mill Road, SE, Atlanta*
10:30 a.m.

The Coca-Cola Company exists to benefit and refresh the world. Founded in 1886, The Coca-Cola Company is the world's largest manufacturer, marketer, and distributor of nonalcoholic beverage concentrates and syrups, used to produce nearly 400 beverage brands. Our corporate headquarters are in Atlanta, with local operations in over 200 countries around the world.

10:30 a.m. Bus departs

11:00 a.m. - **Company Visit and Working Lunch:** *Arch Wood Protection, Inc., 3941 Bonsal*
1:00 p.m. *Road, Conley*

Headquartered in Norwalk, Conn., Arch Chemicals, Inc. is a global specialty chemicals company with approximately \$1.3 billion in annual sales. Arch Treatment Technologies is a subsidiary of Arch Chemicals and is headquartered in Smyrna, Ga. It was established April 1, 2003, to develop and manufacture new wood preservative systems, including Wolman® E copper azole preservative used in the production of Wolmanized® Residential Outdoor® wood, which recently earned the Good Housekeeping Seal. Arch Wood Protection manufactures chemicals that enhance the properties of wood, licenses the production of the most widely used brands of preserved wood, and provides engineering, environmental, technical and marketing services to its customers. For more information, visit the Company's Web site at www.archchemicals.com.

1:00 p.m. Bus departs

1:30 p.m. - **Company Visit:** *BellSouth Corporation, Midtown II, 725 W. Peachtree Street,*
3:00 p.m. *NW, Atlanta*

BellSouth Corporation is a Fortune 100 communications company headquartered in Atlanta and a parent company of Cingular Wireless, the nation's largest wireless voice and data provider. With over \$26 billion in annual revenue and close to 64,000 employees, BellSouth has over 20-million access lines in service, 1.9 million DSL subscribers and 5.7 million long-distance subscribers.

3:00 p.m. Bus Departs; return to hotel

5:45 p.m. Bus departs

6:00 p.m. **Dinner:** *Blue Ridge Grill, 1261 W. Paces Ferry Road, Atlanta*



Friday, January 13

Please pack your belongings and bring with you to the breakfast room.

7:30 a.m. Breakfast Buffet Available

8:45 a.m. Bus departs

9:00 a.m. - **Company Visit:** *MeadWestvaco Packaging Systems, 1040 W. Marietta Street,*
10:30 a.m. *NW, Atlanta*

MeadWestvaco Packaging Systems, LLC, a world-leading producer and marketer of secondary, Multiple packaging, is at the forefront of creative carton design and advanced high performance technology for packaging systems that fill, fold and glue paperboard cartons. With over 50 years of industry experience, the division provides total packaging solutions for customers around the world – from marketing approaches to innovative packaging concepts for beverage, dairy, frozen, fresh and processed food, and personal care products. MeadWestvaco Packaging Systems has four theaters of operation – North America, Europe, Asia Pacific and Latin America.

10:30 a.m. Bus departs

11:00 a.m. - **Company Visit and Working Lunch:** *Owens-Illinois, Inc., 3107 Sylvan Road,*
1:00 p.m. *Atlanta*

More glass containers are produced at O-I's Atlanta plant, daily, than any other facility in North America with a primary focus of manufacturing for the beer industry. In producing the world's most environmentally friendly package O-I is committed to recycling and is the world's largest user of recycled glass. O-I glass containers, healthcare packaging and specialty closure systems deliver many of the world's best-known consumer products to millions of people all around the world. With leading positions in Europe, North America, Asia Pacific and South America, O-I provides consumer-preferred products that enable superior taste, purity, visual appeal and value benefits for our customers' products. Established in 1903, the company employs nearly 30,000 people and has more than 100 manufacturing facilities in 23 countries.

1:00 p.m. Bus departs



Friday, January 13 – continued

1:45 p.m. - **Company Visit:** *Solvay Pharmaceuticals, 901 Sawyer Road, Marietta*
3:15 p.m.

Solvay Pharmaceuticals, Inc., headquartered in Marietta, Ga., seeks to fulfill unmet medical needs in the therapeutic areas of cardiology, gastroenterology, mental health, women's health and a select group of specialized markets including men's health and influenza. The company is a part of the global Solvay Pharmaceuticals organization whose core activities consist of discovering, developing and manufacturing medicines for human use. Solvay Pharmaceuticals is a subsidiary corporation of the worldwide Solvay Group of chemical and pharmaceutical companies headquartered in Brussels, Belgium. For more information, visit www.solvaypharmaceuticals-us.com.

3:15 p.m. **Tour Ends; Bus Departs for Airport**



**Arizona Congressional Staff Tour
Greater Phoenix Area
January 11-14, 2006**

Official Itinerary

Wednesday, January 11th

Congressional staff guests arrive at Phoenix International Airport and are transported to Crowne Plaza Hotel, 2532 W. Peoria Avenue, Phoenix

- 1:00 p.m. - Arrive and Check-In
3:00 p.m.
- 5:00 p.m. Bus departs hotel lobby
- 5:30 p.m. **Welcome Reception and Dinner:** *Maggiano's Little Italy, 16405 N. Scottsdale Road, Scottsdale*

Thursday, January 12th

- 7:45 a.m. Coffee Station Available in Hotel Lobby
- 8:00 a.m. Bus departs hotel
- 8:30 a.m. - **Company Visit & Working Breakfast:** *ITW Angleboard, 1429 S. 40th Avenue, Phoenix*
10:30 a.m.

Illinois Tool Works Inc. is a global producer of products and systems that add value to other manufacturers' products and which operates over 600 manufacturing facilities around the world. The facility you will visit in Arizona produces Cornerboard and Poly Agboard, protective packaging products used in a wide range of industries for shipping protection, load stabilization and stacking strength. For more information please visit our web site at www.itw.com.

- 10:30 a.m. Bus Departs
- 11:00 a.m. - **Company Visit & Working Lunch:** *Hamilton Sundstrand - Phoenix Electronic Operations, 1007 E. University Drive, Phoenix*
1:00 p.m.

At Hamilton Sundstrand Phoenix you will see great examples of lean manufacturing implemented in an Electronics operation. Full Supply Chain integration (Customer through Supplier) has allowed us to develop Customer



SUMCO USA



Hamilton Sundstrand
A United Technologies Company



focused Flow Cells that guarantee On Time, high Quality deliveries to our Customers.

HS Phoenix is the Final Assembly, Test, and Integration center for Electronic Controls (Engine Controls, Power Generation and Distribution Controls, Actuators Controls) used throughout the Commercial and Military Aircraft Industry, Major Customers include Boeing, Airbus, Bombardier, Embraer, Gulfstream, Rolls Royce, Pratt Canada.

1:00 p.m.

Bus Departs

1:45 p.m. -
3:15 p.m.

Company Visit: SUMCO USA, 19801 N. Tatum Blvd., Phoenix

SUMCO USA manufactures silicon wafers for the global semiconductor industry and is a subsidiary of the world's second largest silicon wafer manufacturer, SUMCO. Our wafers are used to make integrated circuits and semiconductor devices that power electronic products we use every day – from computers to cell phones, digital watches to automobile engine systems, electronic gaming systems to pacemakers. At our Phoenix plant, we make 200mm Complimentary Metal Oxide Semiconductor (CMOS) wafers, as well as solar wafers of various diameters.

3:15 p.m.

Bus returns to hotel

5:30 p.m.

Bus departs hotel

6:00 p.m.

Dinner: Sam's Café, A Southwestern Grill, 2566 E. Camelback Road, Suite 201

Friday, January 13th

7:00 a.m.

Coffee and Continental Breakfast Station Available in Hotel Lobby

7:15 a.m.

Bus departs hotel

8:15 a.m. -
9:45 a.m.

Company Visit: The Boeing Company, 5000 E. McDowell Road, Mesa

The Boeing Company in Mesa- Home of the Army's Apache Attack Helicopter, the world's most advanced combat helicopter; tour the design, production and flight test areas. Visit one of the most advanced flight simulation facilities - where we take a step further in innovations for the future of rotorcraft aerodynamics. Boeing Mesa is a recipient of the 2005 prestigious Shingo Award for excellence in manufacturing- the Shingo Award is referred to as "the Nobel Prize in Manufacturing".



SUMCO USA



Hamilton Sundstrand
A United Technologies Company



9:45 a.m. Bus departs

10:30 a.m. -
12:30 p.m. **Company Visit & Working Lunch:** Intel Corporation, 4500 S. Dobson Road, OC8, Chandler

Intel, the world's largest chipmaker, is also a leading manufacturer of computer, networking and communications products. During your visit to Intel's Ocotillo site, in Chandler, Arizona, you will visit one of the largest and most advanced microprocessor manufacturing facilities in the world.

12:30 p.m. Bus departs

12:45 p.m. -
2:15 p.m. **Company Visit:** ArmorWorks, LLC, 7306 South Harl Avenue, Tempe

Founded in 1996, ArmorWorks is a Tempe, Ariz.-based company that provides cutting edge armor and survival technologies for U.S. military applications and to companies worldwide. ArmorWorks designs and produces protective armor using the latest generation ceramic and composite materials that are objectively evaluated and tested to assure their performance in a variety of environments.

ArmorWorks products are currently being used in several applications including personnel vehicle and aircraft armor for the Department of Defense.

2:15 p.m. Bus departs

2:30 p.m.
4:00 p.m. **Company Visit:** Coca-Cola Bottling Company of Phoenix/Tempe Manufacturing, Sales & Distribution Facility, 7414 South Harl Avenue, Tempe

Headquartered in Atlanta, Coca-Cola is the world's largest producer, marketer and distributor of nonalcoholic bottle and can liquid refreshment. Coca-Cola Enterprises Inc. sells approximately 80% of the Coca-Cola Company's bottle and can volume in North America and is the sole licensed bottler for Coca-Cola products in Belgium, France Great Britain, Luxembourg, Monaco, and the Netherlands. The Coca-Cola Bottling Company of Phoenix is one of the 79 production facilities we have throughout our territory. The Phoenix Manufacturing, Sales and Distribution facility is the largest in our territory with 1,066 employees.

4:00 p.m. Bus returns to hotel

4:30 p.m. **Policy Wrap-Up:** Crowne Plaza Hotel – Salon D



SUMCO USA



Hamilton Sundstrand
A United Technologies Company



NAM National Association
of Manufacturers



6:00 p.m. Bus departs hotel

6:30 p.m. **Dinner:** *Abuelo's Mexican Food Embassy, 7000 East Mayo Blvd., Building #26, Phoenix*

Saturday, January 14th

7:45 a.m. Coffee and Boxed Breakfast available in Hotel Lobby

8:00 a.m. Depart for Airport



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