

Pipelines: Building Strong Manufacturing Communities

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Manufacturers use 1/3 of
energy in the U.S.

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Energy = Opportunity

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Energy = Opportunity

Major Disconnects

- Producers
- Manufacturers
- Policy makers
- The public
- First & last mile
- Transmission
- Storage
- Supply/Demand

Natural Gas Study

- Reshaping state and local economic development strategies
- Macro economic impact of increased production—\$190 billion in 2015
- Pipeline construction and operation--\$50 billion in 2015

Beyond the Numbers

- Compelling details that connect the dots
- Stories about why manufacturers need energy they can count on
- Reinforce that stronger manufacturing means stronger communities

Beyond the Numbers

- Brick maker—facilitating local content
- Agriculture supplier—feeding a nation
- Glass manufacturer—sustaining schools
- Consumer products—enabling renewables

If you build it will they come?

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STRENGTHS

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WHAT IS MANUFACTURING TODAY AND TOMORROW?

- The 9th largest economy in the world
- Contributes \$2.17 trillion to US economy
- Employs 12 million Americans directly, 6 million indirectly

WHAT IS MANUFACTURING TODAY AND TOMORROW?

- Innovators, inventors, entrepreneurs, and disruptors who are improving lives and transforming the world.
- Today's manufacturing does not always look like yesterday's.

WHAT IS MANUFACTURING TODAY AND TOMORROW?

- Cancer-fighting and lifesaving medicines
- Breakthroughs in food safety and new technology helping feed the world
- Unmanned vehicles providing surveillance and disaster relief
- Defense equipment keeping our men and women safe as they defend our country and our freedoms
- Everything from turning recycled materials into sustainable products to 3D-printing
- Robotics and the fascinating world of the Internet of Things

Three numbers:

2

5

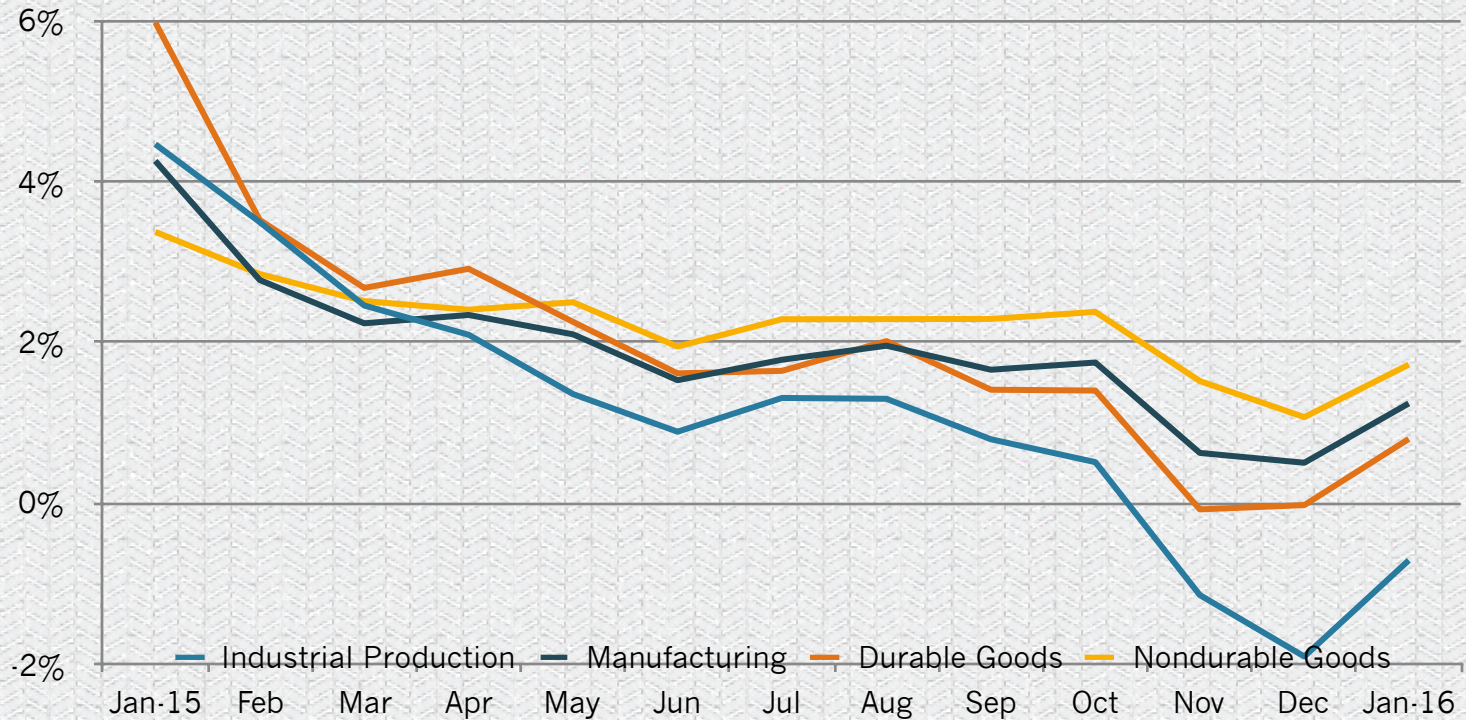
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CHALLENGES

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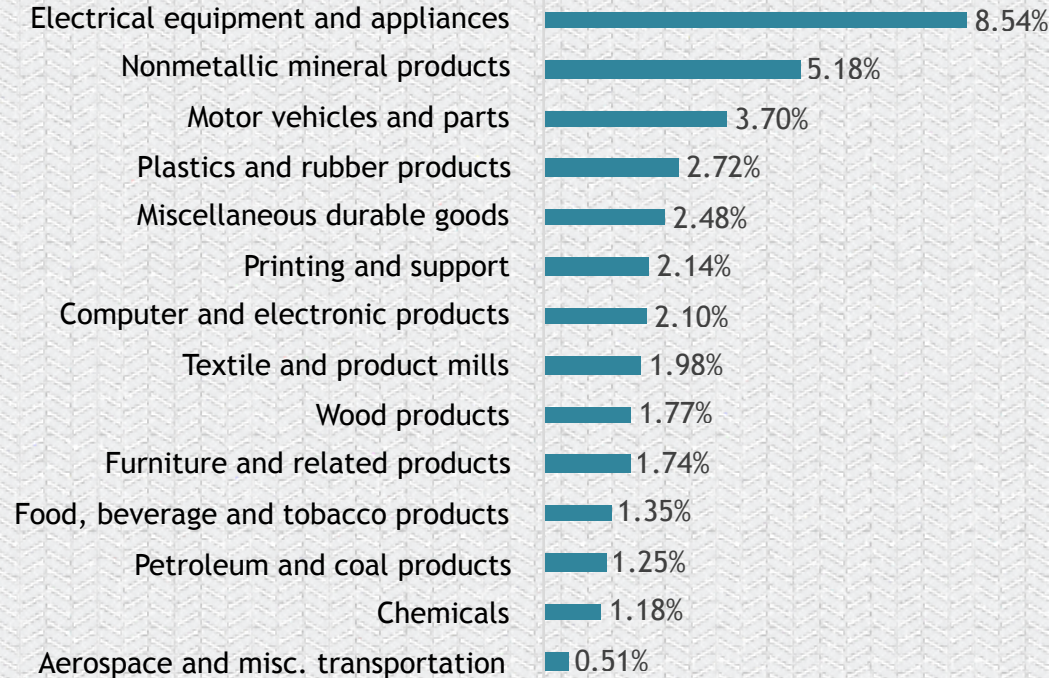
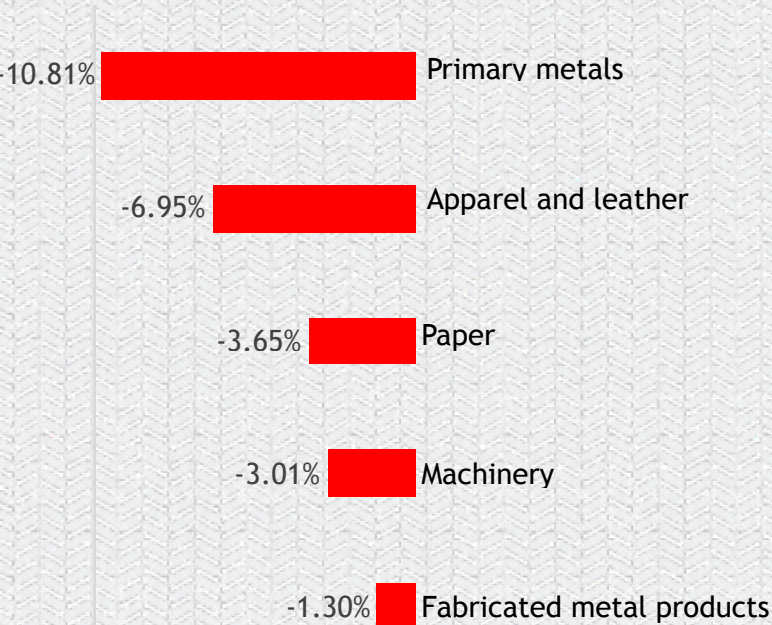
Year-Over-Year Industrial Production Growth (January 2015 - January 2016)



Source: Federal Reserve Board

Year-Over-Year Growth in Manufacturing Production by Sector

(December 2014 to December 2015)



Source: Federal Reserve Board

ACTUAL YEAR-OVER-YEAR GROWTH

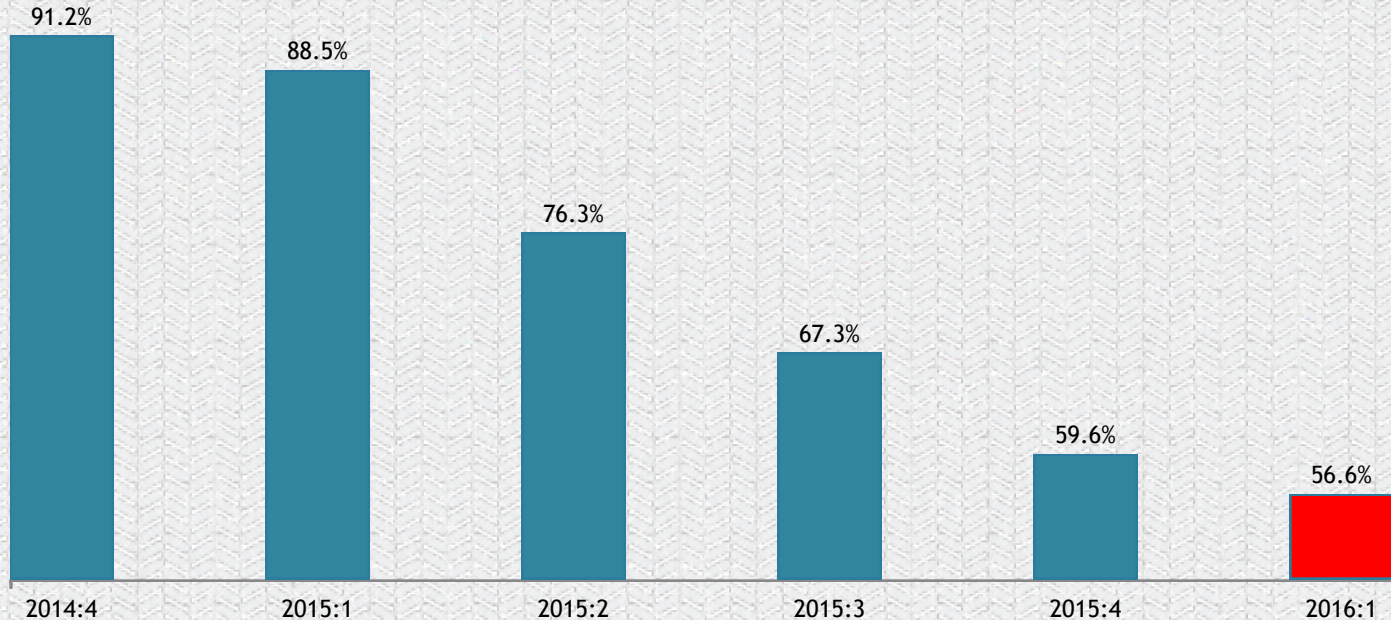
Manufacturing: ↑ 0.74%

Durable Goods: ↑ 0.49%

Nondurable Goods: ↑ 1.02%

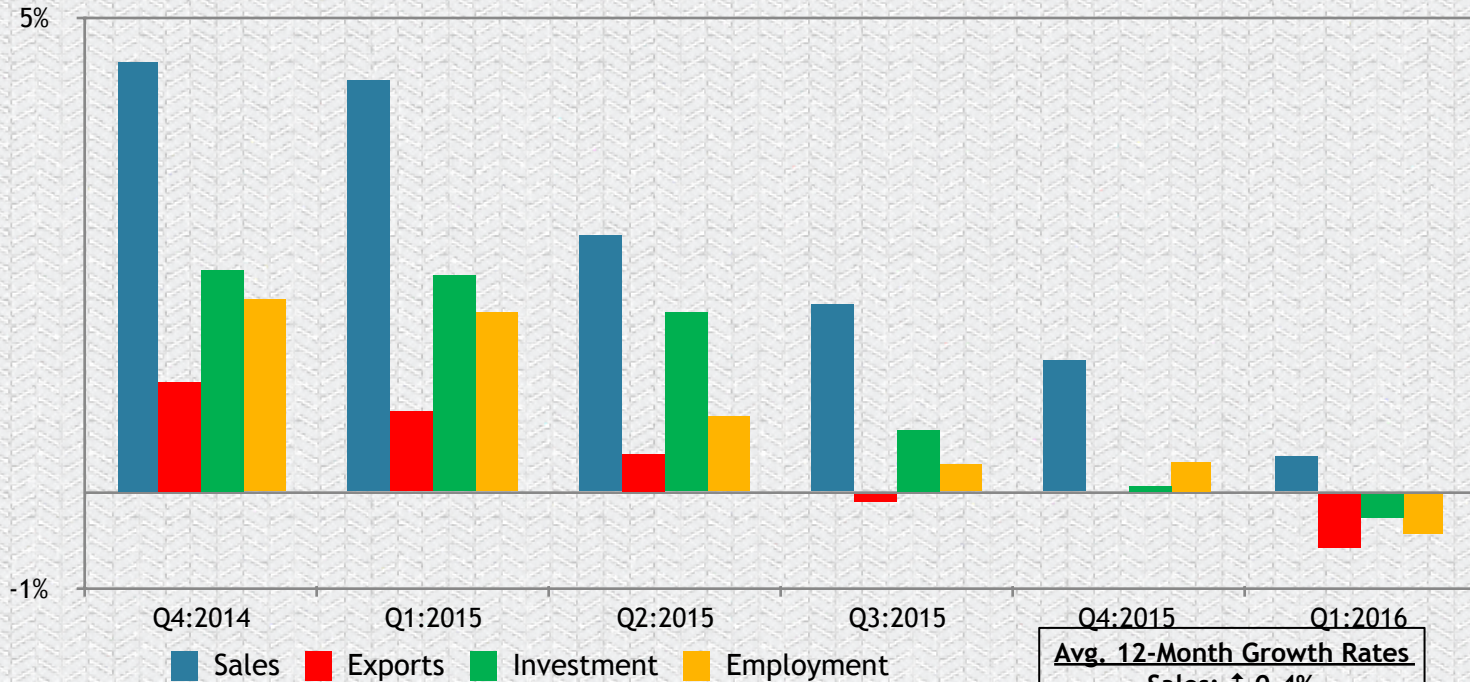


NAM Manufacturers' Outlook Survey by Quarter (Fourth Quarter 2014 -First Quarter 2016)



Source: NAM Manufacturers' Outlook Survey
Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.

Expected Growth of Manufacturing Activity (Fourth Quarter 2014 -First Quarter 2016)

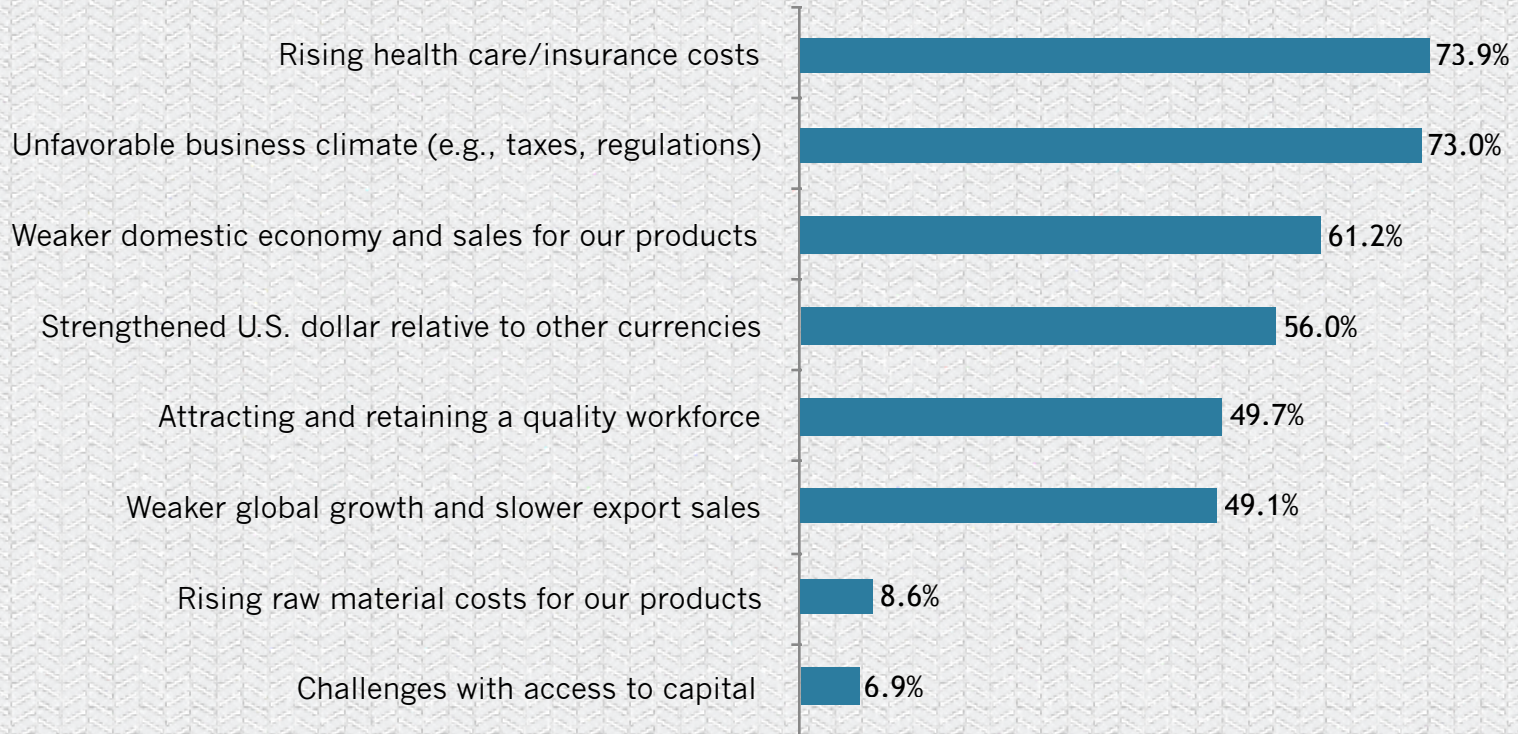


Avg. 12-Month Growth Rates
 Sales: ↑ 0.4%
 Exports: ↓ 0.6%
 Investment: ↓ 0.3%
 Employment: ↓ 0.4%

Source: NAM Manufacturers' Outlook Survey
 Note: Expected growth rates are annual averages.



Primary Current Business Challenges (First Quarter 2016)



Source: NAM Manufacturers' Outlook Survey
Note: Respondents were able to check all that apply. Therefore, responses exceed 100 percent.



COMPETING TO WIN

“Manufacturing is the backbone of our economy. We are about more than just machines; our industry is about people and the potential we can unleash. Now is the time to embrace a manufacturing resurgence to protect and preserve American Exceptionalism. That is what is at stake and that is why we need the right agenda.”

—Jay Timmons, President and CEO

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- **Tax:** A forward-looking tax policy is an economic imperative
- **Trade:** Open trade distinguishes a successful nation, delay and uncertainty hold it back
- **Energy:** Strengthening manufacturing by capitalizing on the energy renaissance
- **Environment:** Achieving the right balance to keep our environment clean and our economy prosperous
- **Transportation and Infrastructure:** A priority necessary to compete
- **Labor:** Adapting labor policies for a 21st-century workforce

- **Immigration:** Comprehensive immigration reform strengthens manufacturing
- **Workforce:** The right skills are essential to American competitiveness
- **Health Care:** Keeping manufacturers healthy and productive in a post-Affordable Care Act world.
- **Research, Innovation, and Technology:** Powering a manufacturing renaissance
- **Regulatory and Legal Reform:** Reducing barriers to economic growth

Are you willing to unite?

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Questions?

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