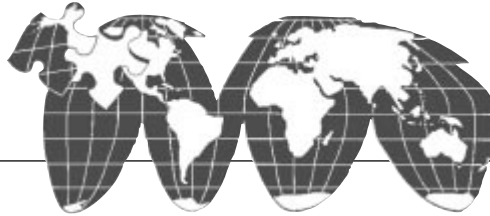

MANA Board Clarifies Association Trade Policy

Memo From: The Board of Directors

To: All MANA Members

Subject: Association Trade Policy



Some MANA members have questioned the association's policy with respect to free and fair trade in the global marketplace. We understand their concern and respond as follows.

MANA is aggressively lobbying at the federal level for protection of U.S. manufacturers from global trading partners who break the rules. We believe that our government must aggressively prosecute unfair trading practices. These practices include currency manipulation, theft of intellectual property and pricing below cost (dumping).

On the other hand, MANA is sponsoring trade missions to Europe and China in 2004 and regularly hosts delegations of foreign businessmen when they approach us with an interest in going to market with manufacturers' reps. And, we have a new International District 10 director on the board. Is this un-American? Are the two policies contradictory?

The answer to both questions is a resounding "no."

We live in a global economy today, and almost two-thirds of

MANA's U.S. agents represent at least one foreign principal. There are three reasons to represent foreign principals, in our opinion.

1. Some foreign manufacturers have technologies and/or manufacturing capabilities that are not available in the United States.
2. A few U.S. principals just "don't get it" when it comes to treating reps as partners and some of their foreign competitors who do.
3. And finally some U.S. manufacturers are unable to compete with low-cost offshore facilities.

There will be winners and losers in the domestic manufacturing community as a result of free and fair trade. There always have been and always will be.

Boeing sells airplanes to China, and 150 MANA members reap the benefit of commissions from component parts sold to Boeing on behalf of their U.S. principals. Competition from low cost Chinese producers of fasteners results in the closure of U.S. factories, and some reps and factory workers are hurt. A small fabrication company in Kansas sells \$6,000,000 worth of proprietary process equipment

to China and creates 200 jobs in a rural farming community that would die without that factory. A rep in Taiwan gets a commission on the order. A U.S. manufacturer outsources the low end of his product line to an Asian partner, continues to make the higher tech products in Cleveland and saves 100 American jobs. MANA members in Canada are helping U.S. manufacturers penetrate that market, and MANA's U.S. agents have been representing Canadian manufacturers for decades. The world is changing so fast that it's hard to digest all this change!

As a non-profit trade association governed by a board of working agency owners, MANA has an obligation to serve its members. Currently, the vast majority of

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those members want their association to:

1. Be involved in the global economy.
2. Present them with opportunities to represent domestic and foreign manufacturers.
3. Continue to identify trends in world markets and suggest strategies that allow the members to survive and thrive in the 21st century.
4. Provide educational opportunities to both domestic and foreign principals so that they will realize that creating rep-friendly policies is mutually beneficial.
5. Promote and protect the rep method of going to market worldwide.

We think we do all of these things pretty well.

MANA neither encourages nor discourages representation of foreign or domestic manufacturers. It is up to the individual agent to make those decisions after doing his/her own due diligence. We simply provide education and opportunities to members to make those decisions on their own, based on their own circumstances, beliefs and even prejudices.

Of the one-third of our members who do not currently represent a foreign principal, over half plan to in the future or are at least receptive to meeting with manufacturers from overseas. As long as the vast majority of your fellow members want to represent foreign principals, MANA will attempt to facilitate matchmaking

in the global arena.

If you do not agree with this policy, please make your thoughts known to both headquarters and your district director who is a fellow working rep. If enough members challenge a policy, the board will always be receptive to change. But ask yourself the following question before you decide to disagree with the existing policy:

“Am I doing anything to reshape my agency to compete in the 21st century, or am I just hoping that someone will come along and make things like they were 20 years ago?”

If your answer is the latter, we're afraid you are in for some frustrating moments in the coming years. ☐