

MASTER LIST OF FIA PUBLIC POLICY POSITIONS

CURRENT AS OF OCTOBER 2006

International Trade Issues

The forging industry supports U.S. trade policy and actions that:

- Encourage the free flow of raw materials into and within the U.S.
- Ensure that U.S. trading partners abide by their obligations with regard to the import and export of basic raw materials, including steel and other metals.
- Promote a stable, globally competitive U.S. steel industry without unduly shifting costs to downstream steel consumers.

Currency Manipulation

The forging industry supports U.S. policies and actions designed to produce a quick and substantial revaluation of the Chinese yuan to reflect its true value, as well as enforcement of World Trade Organization (WTO) and International Monetary Fund (IMF) rules against currency manipulation of all types.

- FIA supports HR 1498, The Chinese Currency Act of 2005, to allow U.S. industries harmed by currency manipulation to seek relief under existing U.S. trade statutes.
- FIA supports swift action in the Senate on S. 1421 to apply countervailing duty laws to non-market economies, such as China. The House has already passed similar legislation in HR 3283, the U.S. Trade Rights Enforcement Act of 2005.
- FIA supports S. 2467 introduced by Senator Grassley, Chairman of the Senate Finance Committee, which gives the Administration important tools it needs to hold China accountable on their WTO agreements, such as having a floating exchange rate. FIA looks forward to working with the Senate in 2007 on compromise legislation dealing with Chinese currency issues.

Energy Availability And Cost

Manufacturers continue to face crippling energy prices that affect our ability to be competitive.

- FIA urges Congress to take further action to provide increased access to U.S. oil and natural gas resources, remove obstacles to building new refineries, and expedite the permitting process for energy infrastructure such as power plants and Liquefied Natural Gas (LNG) terminals.

Healthcare Costs

FIA supports actions that will lower the burden of healthcare costs for manufacturers.

Government Procurement

FIA encourages government policies that enhance the capabilities of both U. S. specialty metals producers and U. S. manufacturers who consume specialty metals to provide products to the U. S. Department of Defense in a timely, cost-effective manner. However, FIA opposes policies that give an advantage to offshore manufacturers over American manufacturers.

The Forging Industry Association – Department Of Defense (DOD) Manufacturing Consortium (FDMC)

The forging industry supports continued adequate funding for the FIA – DOD Manufacturing Consortium (FDMC) program, a joint effort with the Defense Logistics Agency to improve the supply chain between forgers and the frontline.

This program:

- Establishes vital communication between procurement personnel in need of mission-critical metal parts in a timely, cost-efficient manner and the forgers providing those parts and able to solve problems that may occur in the supply chain; and
- Focuses on modernizing the administrative and manufacturing processes to decrease the order time for necessary forged military equipment.

2006

Berry Amendment Policy Statement

FIA encourages government policies that enhance the capabilities of both U. S. specialty metals producers and U. S. manufacturers who consume specialty metals to provide products to the U. S. Department of Defense in a timely, cost-effective manner. However, FIA opposes policies that give an advantage to offshore manufacturers over American manufacturers.

March 8, 2006 Lobby Day

Currency Manipulation

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- *FIA supports HR 1498, The Chinese Currency Act of 2005, to allow U.S. industries harmed by currency manipulation to seek relief under existing U.S. trade statutes.*
- *FIA supports swift action in the Senate on S. 1421 to apply countervailing duty laws to non-market economies, such as China. The House has already passed similar legislation in HR 3283, the U.S. Trade Rights Enforcement Act of 2005.*

Energy Availability And Cost

The forging industry applauds Congress for enacting in 2005 the first comprehensive energy legislation in many years. However, manufacturers continue to face crippling energy prices that affect our ability to be competitive.

- *FIA urges Congress to take further action to provide increased access to U.S. oil and natural gas resources, remove obstacles to building new refineries, and expedite the permitting process for energy infrastructure such as power plants and Liquefied Natural Gas (LNG) terminals.*

The Forging Industry Association – Department Of Defense (DOD) Manufacturing Consortium (FDMC)

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- Focuses on modernizing the administrative and manufacturing processes to decrease the order time for necessary forged military equipment.

2005

March 8, 2005 Lobby Day

International Trade Issues

The forging industry supports U.S. trade policy and actions that:

- Encourage the free flow of raw materials into and within the U.S.
- Ensure that U.S. trading partners abide by their obligations with regard to the import and export of basic raw materials, including steel and other metals.
- Promote a stable, globally competitive U.S. steel industry without unduly shifting costs to downstream steel consumers.

Currency Manipulation

The forging industry supports U.S. policy and actions that:

- Produce a quick and substantial revaluation of the Chinese yuan to reflect its true value, with a longer-term goal of a flexible exchange rate for the yuan.
- Insist on full compliance with World Trade Organization (WTO) and International Monetary Fund (IMF) rules against currency manipulation of all types, including aggressive intervention in currency markets to support a particular currency.
- Apply U.S. trade law to currency manipulation cases where appropriate to protect U.S. industry from unfair competition.

Energy Availability And Cost

The forging industry supports swift enactment during this legislative session of a comprehensive U.S. energy policy that:

- Encourages exploration for new energy supplies.
- Promotes the development of new energy sources.
- Supports conservation of existing energy resources.
- Ensures cost-effective environmental protection.

The Forging Industry Association And Department Of Defense Manufacturing Consortium (FDMC)

The forging industry supports continued adequate funding for the FIA Defense Manufacturing Consortium (FDMC) program, a joint effort with the Department of Defense's Defense Logistics Agency to improve the supply chain between forgers and the frontline. This program:

- Establishes vital communication between procurement personnel in need of mission-critical metal parts in a timely, cost-efficient manner, and the forgers providing those parts and able to solve problems that may occur in the supply chain; and
- Focuses on modernizing the ordering process to decrease the order time for necessary forged military equipment.

2004

February 24, 2004 Lobby Day

Energy Cost And Availability

BACKGROUND:

Because forging uses heat and pressure to shape metal into complex, high-strength components and assemblies for industries from automotive to aerospace, energy usage comprises a significant segment of overall cost. Within the last several years, rising costs of oil and natural gas and other forms of energy have become increasing concerns for U. S. forgers.

INDUSTRY POSITION:

A comprehensive energy policy is vital to the continued health and growth of the U. S. economy, particularly the manufacturing sector. Passage of legislation to promote these goals should be a top priority for Congress during this session.

Specifically, the forging industry supports a comprehensive U. S. energy policy that:

1. Encourages exploration for new energy supplies.
2. Promotes the development of new energy sources.
3. Supports conservation of existing energy resources.
4. Ensures cost-effective environmental protection.

Many of those objectives are addressed by S. 2095, the Energy Policy Act of 2003. The forging industry urges its swift passage.

Manufacturing Costs

BACKGROUND:

Manufacturers in the U. S. are facing increasing pressures from all sides and are finding it increasingly difficult to compete with low-cost foreign competitors. Many factors contribute to this circumstance, and specific issues may vary from industry to industry, but it is clear that many of the impediments to the growth and renewal of American manufacturing are government-imposed.

INDUSTRY POSITION:

As part of the Coalition for the Future of Manufacturing, the forging industry supports a comprehensive approach to enhancing the climate for U. S. manufacturing. Specifically, we support policy initiatives to:

1. Reduce production costs in the United States.
2. Level the International Trade playing field.
3. Promote innovation, investment and productivity.
4. Ensure an adequate supply of skilled workers for the future.
5. Strengthen the government infrastructure on manufacturing.

Offshore Competition

BACKGROUND:

Forgers are facing increased competition from offshore producers, as well as increased outsourcing by OEM customers to offshore producers. Many factors contribute to this increase, but there are growing concerns that U. S. trade law and policy does not adequately ensure a "level playing field" for U. S. manufacturers. China is perhaps the most commonly heard example of such concerns, but by no means the only one.

INDUSTRY POSITION:

The forging industry believes that U. S. forgers are among the most innovative, technologically advanced, and cost-effective in the world, and as such should be able to compete globally in the absence of artificial barriers or unfair advantage. Accordingly, the industry supports U. S. policy that would:

1. Insist on swift and complete compliance with international trade agreement obligations by U. S. trading partners.
2. Aggressively prosecute violations of international agreements, such as currency manipulation, that subsidize imports to the U. S.
3. Vigorously enforce U. S. trade law where appropriate to protect U. S. industry from unfair competition.

Raw Material Cost And Availability

BACKGROUND:

Forgers and other consumers of metal, primarily steel, are facing rapidly rising costs, tight supplies, longer delivery lead times and growing uncertainty about their ability to obtain basic inputs at reasonable prices. Given the fragile economic circumstances of metal-using industries in general, and forgers in particular, this situation could make it difficult, if not impossible, for companies in those industries to participate in the economic recovery.

A number of factors are converging to create the difficulties with raw material supplies, including rising steel (and other metal) scrap prices, limited supplies of coking-quality coal, and increased world demand for steel, particularly in China.

INDUSTRY POSITION:

Forgers and other metal-using industries must have access to adequate, high-quality raw materials at global competitive prices. Forging is a basic “building block” industry that supplies complex, high-strength components and assemblies to Original Equipment Manufacturers (OEMs), often based on long-term contracts with fixed pricing or guaranteed annual price reductions. Big swings in costs or uncertainty of supplies of raw materials such as steel are impossible for forgers to absorb.

The forging industry supports U. S. government policy and actions that would:

1. Encourage the free flow of raw materials within and into the United States.
2. Ensure that U. S. trading partners are abiding by their obligations with regard to the import and export of basic raw materials, including steel and other metals.
3. Promote a stable, globally competitive U. S. steel industry without shifting costs to downstream steel consumers.