

FIA WASHINGTON UPDATE
IT'S EASTER RECESS – DO YOU KNOW WHERE YOUR MEMBER OF CONGRESS IS?

The dust has settled a bit from FIA's 6TH annual Lobby Day (held March 12), and Congress has recessed for two weeks for the Easter "District Work Period", but the issues of concern to FIA members are still very much in the forefront here in Washington. In fact, for those of you who were not able to be here on March 12, the next two weeks is a great time to contact your Senators and Representatives. Here's an update on our Lobby Day activities and some suggested actions that you can take while Members of Congress are home.

EMPLOYEE FREE CHOICE ACT

HR 1409 and S 560, identical bills falsely labeled the "Employee Free Choice Act", were introduced in the House and the Senate on March 10, two days before FIA's Lobby Day.

Lobby Day participants were firm in their opposition to these bills, which would deny workers the right to a secret ballot when deciding whether to join a union, and require mandatory, binding arbitration if an initial contract was not signed within a specified period of time after a union was certified. Such legislation passed the House of Representatives in 2007 but died after failing to come to a vote in the Senate, and organized labor vowed to have it reintroduced in the 111th Congress.

Opponents of the legislation like FIA got a bit of good news recently when Sen. Arlen Specter (R-PA), who had supported the legislation in the 110th Congress, suddenly announced that he would not vote to cut off debate on the controversial legislation. Labor leaders had been counting on Specter as the "60th vote" that would move the bill to final passage in the Senate, and his announcement caused some to suggest that the "fight is over."

In fact, there is a real danger that the bill could be "repackaged" as a "compromise" that could lead to it being sent to the Senate floor, where 51 Senators could vote to return it to its original form and pass it!

REQUESTED ACTION: Members of Congress, particularly Senators, need to know that forgers are OPPOSED to any attempt to eliminate the secret ballot in union organizing campaigns, and OPPOSED to any attempt to require mandatory binding arbitration in labor contract negotiations. **FIA MEMBERS ARE URGED TO CONTACT THEIR SENATORS AND REPRESENTATIVES AT THEIR DISTRICT OFFICES DURING THE EASTER RECESS AND LET THEM KNOW THERE IS NO "COMPROMISE" ON THIS ISSUE!!** State and District office phone numbers for your Senators and Representatives can be found at www.congress.org.

REPEAL OF LAST-IN, FIRST-OUT (LIFO) ACCOUNTING METHOD

FIA members attending Lobby Day also told Congress they OPPOSE the repeal of the Last In-First-Out (LIFO) accounting method, as called for in the President's budget proposal. Many forgers utilize this method, which has been part of the U.S. tax code since 1939, because it is the most accurate method of accounting for businesses, like forgers, that maintain large inventories of raw materials and work-in-progress. Repeal of LIFO and a requirement that LIFO reserves be repaid could bankrupt some small companies that have been using LIFO for years.

FIA has joined the LIFO Coalition, a broad-based group of industries that are working to preserve LIFO, and we have participated in a number of meetings with Congressional staff as part of this group.

The House and Senate both passed Budget Resolutions before recessing for Easter, and while neither of the resolutions specifically mentions LIFO repeal, they do outline the broad parameters of projected spending and revenues that Congress must consider as it develops the FY 2010 Appropriations required to fund government agencies and programs. These projected spending and revenue numbers could mean that the tax committees in House and Senate may still include LIFO repeal in legislation this year. We will continue to participate in the efforts of the LIFO Coalition and others in order to educate Members of Congress about the negative implications of repeal of the LIFO method on forgers.

REQUESTED ACTION: Tell your Senators and Representatives that LIFO should be retained.

ENERGY AND CLIMATE CHANGE/"Cap and Trade"

FIA members also lobbied in support of U.S. energy policies that would increase domestic supplies of oil and natural gas, as well as increased use of renewal energy sources such as solar, wind and nuclear. We also told Members of Congress that any debate on climate change legislation must take into account the global competitiveness of U.S. manufacturers such as forgers.

The House Energy and Commerce Committee has released a 600-page "discussion draft" of energy legislation that is designed to deal with energy development, conservation, efficiency standards, alternative sources and climate change. The "discussion draft" includes a "cap and trade" approach to regulating greenhouse gas emissions but does not include a lot of details on how the program would operate, or how higher energy costs to consumers might be offset. The Committee plans to "mark up" the legislation by Memorial Day, but that timetable could slip. The Senate Energy and Natural Resources Committee is working on individual bills dealing with all those

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same subject areas, with the intent of combining them all into an “omnibus” energy bill to be debated on the Senate floor.

Here are the current FIA positions on various energy and climate change proposals:

- FIA OPPOSES a national “cap and trade” approach to climate change **if** it will enrich some large sources of greenhouse gas emissions at the expense of small and medium-sized businesses that require natural gas and electricity to manufacture products in the U.S.
- FIA OPPOSES a national “cap and trade” approach to climate change if forging operations will be subject to the emissions caps, because it will likely put many U.S. forgers at a global competitive disadvantage. Many could be put out of business entirely.
- The forging industry must have **access to globally competitively priced steel and other metals** as our raw material. Any attempts to provide a “border adjustable” aspect to a climate change policy, particularly for raw materials such as steel, **MUST** take into account the effect on the users of that material in the U.S.
- FIA OPPOSES using a national “cap and trade” system to fund other government programs as proposed in the President’s FY 2010 Budget. The goal of any climate change legislation should be to achieve the greatest reduction in emissions at the lowest possible cost to the economy. Using potential revenues from a national “cap and trade” system to fund other government spending programs would not accomplish that goal, and could put the government in the position of “forcing” the trading of emission credits in order to generate projected revenues, without regard to whether the “market” for such credits exists.

REQUESTED ACTION: Tell your Senators and Representatives to SUPPORT increased development and production of domestic oil and natural gas; SUPPORT increased solar, wind and nuclear power; and OPPOSE “cap and trade” plans that do not preserve global competitiveness of U.S. manufacturers, such as forgers.