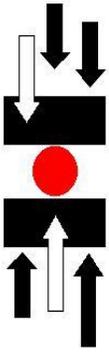


**THE U.S. FORGING INDUSTRY  
VITAL BUILDING BLOCK OF U.S. MANUFACTURING**

**Position Paper on the Employee Free Choice Act**

The Forging Industry Association (FIA) is made up of both union and non-union forge shops and supplier companies. FIA members believe that respecting their employees, regardless of union affiliation, is the key to being successful in today's competitive market. However, FIA OPPOSES the Employee Free Choice Act because it tramples on the privacy and self-determination rights of ALL EMPLOYEES.

- The so-called "Employee Free Choice Act" (EFCA) would **take away an employee's right to a secret ballot when deciding whether or not to join a union.** It would replace the secret ballot with a system called "card check", whereby a union would be recognized automatically if a majority of workers simply sign a card. **Under this system, the workers' decisions would be made public to the employer, the union organizers and co-workers.**
- The secret ballot is a hallmark of our democracy. It has served us well for more than 200 years in electing public officials, including Members of Congress, without fear of intimidation by anyone. In fact, U.S. taxpayers have spent billions over many years promoting the ideals of democracy and free elections, including the right to secret ballots, throughout the world. **American citizens deserve no less.**
- No one—not employers, employees, union organizers or Members of Congress—should fear an election conducted by secret ballot. Removal of this right would **trample on the privacy of individual workers**, subjecting them to coercion, harassment and intimidation over their fundamental right to choose whether to join a union.
- EFCA would actually **disenfranchise employees twice.** In addition to the "card check" mechanism that would do away with the secret ballot if more than 50% of workers agree, the legislation would also **force mandatory binding arbitration** on both the employer and the union if they failed to reach agreement on an initial contract within a specified period of time. Under this provision, employees who were **denied the opportunity to vote by secret ballot** on whether to be represented by a union would **also be denied the opportunity to vote on the provisions of the union contract** that would govern the workplace.
- At a time when the U.S. economy is under serious and constant strain, passage of the Employee Free Choice Act would introduce **substantial uncertainty and lack of incentive for investment.** This would do significant harm to the ongoing efforts to provide growth and jobs for Americans.
- FIA strongly urges **Members of the Houses of Representatives to vote against** the "Employee Free Choice Act".
- FIA strongly urges **Members of the Senate to vote against cloture** to move to a vote on the "Employee Free Choice Act."



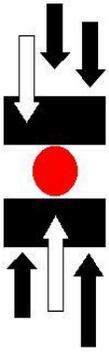
**THE U.S. FORGING INDUSTRY  
VITAL BUILDING BLOCK OF U.S. MANUFACTURING**

**Position Paper on Energy and Climate Change Policy**

The Forging Industry Association (FIA) supports U.S. energy policies that **increase domestic supplies of oil and natural gas**. Forging is an energy-intensive manufacturing process, and tight energy supplies and high energy costs erode our ability to compete globally. FIA members often supply forgings to the wind and solar energy markets so we also **support increased use of renewable energy**, provided that access to affordable electricity and natural gas to operate U.S. forge shops is available.

Any debate on energy policy must include the debate on the appropriate way to address **global climate change**. FIA believes it is critical to ensure that any potential climate change policy take into account the global competitiveness of U.S. manufacturers such as forgers.

- 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.
- For example, most forging is done as “hot work” at temperatures up to 2300 degrees Fahrenheit, requiring large quantities of natural gas and coal to produce the steam to run the forges. In addition, the forging industry produces parts and components for original equipment manufacturers (OEMs), who will not accept price increases due to increased compliance costs. Forgers would likely generate few credits in a “cap and trade” system to be able to sell to offset increased costs.
- 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.



**THE U.S. FORGING INDUSTRY  
VITAL BUILDING BLOCK OF U.S. MANUFACTURING**

**Position Paper on Tax Policies that Increase Manufacturing  
Competitiveness**

As a basic building block of manufacturing, the U.S. forging industry is highly competitive, and can be severely impacted by tax policies that do not recognize the challenges faced by manufacturers. The Forging Industry Association (FIA) urges Congress to carefully consider the impact of any proposed tax changes on U.S. manufacturing competitiveness.

Specifically, FIA offers the following positions on tax issues of concern to forgers:

- FIA SUPPORTS the President's budget proposal to make the Research and Development (R&D) tax credit permanent, as well as continuation of the tax credit for domestic manufacturing. The R&D tax credit encourages manufacturers to invest in research that can improve productivity and enhance global competitiveness, while the domestic manufacturing tax credit offers an incentive to manufacture in the U.S.
- FIA SUPPORTS extending the tax credit for investment in qualified alternative energy production facilities. Many forgers supply critical components to alternative energy industries such as wind, solar and nuclear. We are pleased that the stimulus legislation passed by Congress extended these credits for 3 years, and we urge that they be made permanent.
- FIA OPPOSES 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 OPPOSES increasing the top tax rates for those making more than \$250,000. Many forging companies are small to medium-sized enterprises, often family-owned or closely held. Income from businesses that are "S" corporations or other forms of "pass-through" entities such as partnerships or limited liability corporations is taxed at individual rates, so increasing the tax rate for individuals making more than \$250,000 is a tax increase on those businesses at the worst possible time.