

Update on FIA's Government Affairs Program

The Effects of Climate Change Legislation on Forgers

The Senate will likely debate S. 2191, America's Climate Security Act, in June. The bill would establish a "cap and trade" system to lower greenhouse gas emissions. Our analysis of the bill indicated that S. 2191 could have a negative impact on the forging industry by potentially requiring energy-intensive manufacturers such as forgers to meet the bill's lowered greenhouse gas emissions targets, by dramatically increasing the cost of natural gas, and by eventually limiting imports of steel and aluminum from countries that do not adopt similar climate change policy. On behalf of FIA, we communicated these concerns to Senators from Ohio, Michigan, Illinois, Pennsylvania, California, Texas, and Connecticut, where we have established relationships through FIA's annual Lobby Days. It now appears that the legislation as amended in committee will NOT require energy-intensive manufacturers such as forgers to comply with the requirements of the bill, but it would substantially increase the cost of natural gas over the next 20 years, and include some type of international carbon tariff or import ban on steel products from other countries, potentially hampering the ability of U.S. forgers to compete globally. Although the chances of S. 2191 becoming law in 2008 are slim, climate change legislation based on similar "cap and trade" principles will be a key issue in 2009. Accordingly, it is important for FIA and its members to communicate with Congress on any negative impacts such a program would have on the forging industry. ***ACTION NEEDED:*** *Be on the lookout in your next Quick Read for a draft letter that can be used with your Senators to voice your opposition to S. 2191 or similar legislation.*

The "EMPLOYEE FREE CHOICE ACT" (HR 800 AND S. 1041)

FIA opposed the "Employee Free Choice Act" (HR 800 and S. 1041) in 2007 because it would allow union organization of employees without secret ballots. HR 800 passed the House but in the Senate, Democrats were unable to get the necessary 60 votes to cut off debate and move to a vote on S. 1041. Many FIA members participated in Lobby Day visits and sent letters to their Members of Congress opposing HR 800 and S. 1041. However, it is important to note that both Democratic nominees for President and the AFL-CIO have publicly stated that passage of this type of bill will be a #1 priority for them in 2009. FIA will continue to participate in a large business coalition (the Coalition for a Democratic Workplace) made of up organizations that oppose the "Employee Free Choice Act", and we will keep you updated on grassroots activities as appropriate.

Trade Legislation

FIA supports legislative efforts to pressure the Chinese government for a quick and substantial revaluation of the yuan, as well as enforcement of WTO and IMF rules against currency manipulation of all types. There had been much talk this year that the House and Senate would take up trade bills that included action to pressure the Chinese. That has yet to happen and it now appears that both Democrats and Republicans are increasingly concerned about the unintended consequences that trade legislation aimed at China might have on already weak U.S. economy. We continue to monitor the legislative situation and will update members when we have any new information.

The Intellectual Property Rights Enforcement Act (S. 522)

Senators Bayh (D-IN) and Voinovich (R-OH) are preparing to move forward with their bill to improve existing intellectual property protection efforts. S. 522 provides an aggressive, coordinated approach to domestic and international enforcement efforts. FIA supports S. 522 and will be looking for ways to support Senate and House action on the issue this summer.