Overview

• Political Climate
• Tax Issues
• Energy & Environmental Issues
• Export-Import Bank
• 2015 Lobby Day
• 2014 Midterm Election Analysis and Fearless Predictions
• Conclusions
Political Climate

- 65% of Americans Feel the Country is on the “Wrong Track”
- President’s Approval Rating Hovers in low 40s
- Congressional Approval Rating a Whopping 10-15%
- Darth Vader Polls Higher than all 2016 Presidential Contenders
Political Climate (cont.)

- Continuing the Continuing Resolution
- It’s all about November 4 and the Senate and Has Been for Months
- The President Actually Said He Was Delaying Executive Orders on Immigration Reform until “after the elections”
- ISIL, Ferguson – It Was a Long Hot Summer and Security is Back on Everyone’s Mind
Even Blind Pigs…

- Workforce Innovation Opportunity Act Passed
- Highway Trust Fund Extended Thru May 2015
- Veterans’ Affairs Medical Care Reform Passed
- A Government Shutdown Unlikely
Tax Issues

• Clearly No Comprehensive Tax Reform in 2014
• 2015 – Even with a GOP Senate and House, it Likely Takes a White House Change
• Momentum Building for Corporate Only
Tax Issues (cont.)

• We’ll Need to Keep an Eye on Manufacturers Being Treated Equitably
• Continued Fight on LIFO Repeal
• Tax “Extenders” in Lame Duck – R&D, 179, Bonus Depreciation
Energy & Environment Issues

• Keystone – Still Delayed
• Continued Political Pressure for LNG and Crude Oil Export Approvals
• EPA 111(d) - GHG Emissions Rule for Existing Coal-Fired Power Plants
• New Ozone Standard
EPA GHG Rule

- EPA Finalizing GHG Emissions Rule for New and Existing Coal-Fired Power Plants
- Left Unchecked, Other Fossil Fuels, Steel and Manufacturers are Next
- Negative Impact on Energy, Raw Material Costs
- FIA Very Involved
New Ozone Standard

• EPA Required to Propose New Ozone Standard by December 2014 and Final Rule by October 2015
• 2008 – Bush Admin. Set 75 ppb
• 2011 – Obama Delays New Standard Under Great Pressure From Business Community
• 2014 – EPA Advisory Board and Staff Report Recommend 60-70 ppb
New Ozone Standard (cont.)

• 75 ppb Not Fully Implemented
• 60 ppb would leave nearly all of the U.S. in “non-attainment zone”
• Impact all Manufacturers of All Sizes
• Lower GDP by $270 Billion/Year
• By 2040:
  ✓ $2.2 Trillion in Compliance Costs
  ✓ $3.4 Trillion to Economy
  ✓ 2.9 Million Lost Jobs
Export-Import Bank

• Authority to Issue New Loans Expires Sept. 30 – Extended until June 2015
• Used by Aerospace, Mining, Energy, Heavy Equipment, Small Businesses
• Proponents – Support U.S. Jobs and Keeps U.S. Companies Competitive
• Opponents – Benefits Only Few Large Companies; Leave to Private Sector
FIA’s 12th Annual Lobby Day

- Noon, April 22-early afternoon, April 23
- Please Consider Joining Us
- We Do All the Work, All You Have to Do is Show Up…
2014 Fearless Analysis

• President in the 40s
• 2\textsuperscript{nd} Midterm
• Generic Ballot is R +3 to 7
• 2010 late October – R+9 with reality on Election Day at R+6
• Mood of the Country – “I’m not on the ballot but all of these policies are!”
• Map Favors the GOP
2014 Fearless Analysis (cont.)

- House: 233 Republican, 199 Democrats (3 vacancies)
- Republicans Likely Gain 5-8 Seats, Possibly More
- 1946: GOP held 246
- 2010: GOP held 242
2014 Fearless Analysis (cont.)

• Senate: 55 Democrats (includes 2 I’s), 45 Republicans—GOP needs +6 to Gain Majority
• Dems Defending 21 Seats, 7 of which are in States that Obama Lost in 2012, 6 of them by Double Digits
• GOP Defending 15
2014 Fearless Analysis (cont.)

- GOP Has a 3 Seat Head-Start: SD (Rounds), West Virginia (Capito), Montana (Daines)
- GOP needs only 3 more and there are a lot to choose from: AR and LA*; AK and IA competitive; NC, CO, if decent wave
- If a GOP Tsunami – MI, NH, VA, OR, MN in that order
2014 Fearless Analysis (cont.)

- But…It is Not Easy to Beat an Incumbent and GOP Needs to Beat at Least 3
- Democrats are Raising a lot of Money
- Flies in the Ointment: KANSAS; Georgia, and Kentucky likely remain GOP
- Does it Matter if You Don’t Have 60?
2014 Fearless Predictions

• September 9, 2014: “I am now expecting a substantial Republican Senate wave in November, with a net gain of at least seven seats. But I wouldn’t be shocked by a larger gain.” —Stu Rothenberg

• October 2, 2014: “5-8 seats” – Larry Sabato, University of Virginia, Crystal Ball
• October 13, 2014: “Senate GOP wins 7 on November 4 but likely won’t know AK until another day or two, loses KS, wins LA on Dec. 6 for a 52-48 Majority. House GOP picks up 5-8.” —Jennifer Baker Reid
No, I Do Not Have a 2016 Prediction....
What Can I do?

- This is a Key Election for Manufacturers
- Plant Tours
- Get Out the Vote!
- NAM’s Election Center – Cut & Paste
  - www.nam.org/electioncenter
  - www.employeesvote.org
Conclusions

• Lamest Lame Duck Session in Years
• President Does Not Become a Negotiator Just Because Congress is in GOP Control
• GOP Senate Would Help Stop the Bleeding on Regulations
• No Matter What – 114th Congress Arrives on or about January 5, 2015 and We Will Have Work To Do
• Plant Tours and 2015 Lobby Day