



*Serving the tooling, machining, and manufacturing
community in the greater Dayton region*

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Public Policy Position Statements – 2007

Issue Statement: Business Tax Reform

State

- The DTMA supported the recent tax reform as enacted in 2005. We will oppose any effort to weaken these reforms in future sessions of the legislature.
- We support initiatives that encourage public, private, and academic sector entities to collaborate and cooperate on the commercialization of research and the development of manufacturing resources within the state.
- We support further modernization of Ohio's tax code with the following five guiding principles: simplicity, competitiveness, stability, equity, and neutrality, in about that order.
- Lower the current tax rate and broaden the current tax base to include all segments of the economy, including the growing service sector, so the business tax burden is shared more equitably.
- In order to keep rates low, maintain budgetary discipline without endangering education and other essential government services by driving out indolence, incompetence, and corruption.

Federal

- We believe the tax cuts of the twenty first century have had a positive effect on the economy in general, and we support efforts to make these tax cuts permanent.
- We support permanent repeal of death taxes.
- We support permanent repeal of the Alternative Minimum Tax.
- We support tax initiatives that encourage investment in manufacturing facilities in the United States, and discourage investment in manufacturing abroad.
- In general, we support comprehensive federal tax reform with the same objectives as listed above: simplicity, competitiveness, stability, equity, and neutrality, in about that order. In general, we prefer consumption taxes and user fees to income taxes.
- Current Tax Reconciliation measures: we support inclusion of the following items: expanded expensing thresholds for small businesses, as created in the 2004 JOBS Act, should be extended; and the Research & Development Tax Credit should also be extended.

Issue Statement: Defense Industrial Base

Support for the United States Defense Industrial Base

DTMA supports bills such as the Berry Amendment and Buy American Improvement Acts that support American industry by requiring general government purchases, and specifically DoD purchases, to be significantly American made.

The tool, die and manufacturing industry is vital to our country's national security. It is imperative that we have a strong industrial base when our nation needs to produce material for our defense. In the current world political climate, our country

cannot afford to let our national defense be compromised by sending defense-critical work to countries that are allies today, but tomorrow may decide that on the world stage, it is not politically correct to back the United States. It is about the ability to fight a war when our sometimes allies run for political cover.

We support any act that will strengthen the current "Buy American Act" by increasing the domestic content threshold for components deemed U.S. made, close "loopholes" in waiver authority and clarify that the requirements must be met throughout all levels of the supply chain.

Spending American Tax Dollars in Support of American Jobs

For several years the DOD and its prime contractors have been shipping jobs off shore by placing parts and tooling in foreign countries. Since the tooling, machining, and manufacturing industry is under such severe economic pressures from the off shore commercial arena, support from American tax dollars is critical to industry survival. If American industry does not survive, the infrastructure and expertise will not exist to produce the systems necessary to defend our nation.

DTMA must raise political awareness of the economic consequences to American manufacturing of off shoring our defense systems.

Issue Statement: Fair Trade

The DTMA supports job creation, a strong economy, and a fiscally responsible federal government.

- **Expanding economic opportunity.** The DTMA believes that the most effective means of increasing opportunity for our families is a high quality, good paying job. We are committed to expanding economic opportunity to all Americans and creating the new jobs of the future.
- **Fiscal responsibility.** The DTMA believes in balanced budgets and paying down our national debt.
- **Fair trade.** Creating jobs at home means opening markets abroad. The DTMA supports fair trade agreements that raise standards for workers abroad while making American business more competitive. We support stronger enforcement of our existing trade agreements.

Issue Statement: Health Care

The DTMA supports affordable health care for small businesses.

- DTMA is in favor of the Small Business Health Fairness Act as passed by the U.S. Senate. The Act supports affordable health care for small business.
- DTMA is in favor of Senate Small Business Committee Act now on S. 545, introduced by Senator Olympia Snowe. The bill will allow small businesses to obtain more affordable health coverage for employees through bona-fide trade associations under federal law rather than state law. The ability to purchase as a group will lower our rates as risk gets spread across more lives.
- DTMA is in favor of requiring insurance companies to disclose statistics for rate increases to small business clients.

Issue Statement: Regulatory Issues and Costs

Objective

Ensure that the federal regulatory process is cost-effective, flexible, based on sound science and technical analysis, and is able to achieve its results using diverse and innovative methods.

Summary of the Issue

Each year federal agencies issue approximately 4,000 new regulations. The annual cost of federal regulations is estimated at nearly \$1.1 trillion. These costs are passed along in the form of higher prices for goods and services, higher taxes, reduced wages, lower employment, stunted economic growth, and slower technological innovation.

Many regulations have moved away from design specifications and have instead adopted performance standards that allow businesses maximum flexibility to achieve regulatory standards. The Office of Advocacy of the Small Business Administration consistently ensures that federal agencies consider the impact of proposed regulations on small businesses and take into account less burdensome alternatives. Congress and the Executive Branch must encourage further reforms in these areas to include flexible, alternative approaches to regulation in order to foster a regulatory climate based on compliance and problem solving.

Areas of regulatory reform that we consider important include:

- **Health Care** – Improve affordable access to quality health care for small business owners and their employees
- **Red Tape** – Fight burdensome federal regulations and paperwork requirements that produce questionable benefits.
- **Tax Reform** – Promote a tax policy that allows small business the opportunity to reinvest more money to grow their businesses
- **Workforce Flexibility** – Empower small businesses by providing a level playing field to hire, train, and retrain a qualified workforce
- **OSHA Reform** – Look at the enforcement powers of OSHA and make certain that those enforcing this law are truly supporting the legislative intent. Provide a fair system that promotes workplace safety while recognizing the competitive disadvantage we are facing in today's worldwide competitive climate.
- **Sarbanes-Oxley** – Reexamine the cost benefit of compliance with SOX and streamline some of the most burdensome parts of the law while preserving the public safeguards that were the driving force that led to this legislation.
- **Union Authorization via Card Check** – We strongly urge that all efforts to remove the freedom of employees to choose their own destiny by the implementation of union certification by card check be rejected.