



2005 SBC LEGISLATIVE Conference

Building... *Momentum!*

2005 Legislative Conference

by Sean D. Shields

Tip O'Neill, a former Speaker of the House of Representatives, astutely observed "all politics is local politics." In terms of advocacy on Capitol Hill, the structural components industry's greatest asset is that with 2460 manufacturing locations, it has a legitimate voice as a constituent to nearly every member of Congress. This was indeed evident as WTCA members participated in the **5th Annual Legislative Conference** in Washington, DC, on May 4-5.

With 44 members participating in 75 visits to Congressional offices in one day, it is accurate to say the issues of the structural components industry were on the minds of many of our nation's leaders. The feedback from several of the members who attended meetings indicated the industry's issues, including immigration reform, transportation reauthorization, employee health care, permanent repeal of the estate tax and international trade, were on the forefront of their agenda and current efforts.

Visits to Capitol Hill

The Three "I's"

Members were encouraged to concentrate their visits on the three "I's": the **industry**, the **issues** and the **invitation**. To begin a meeting, members started by talking about what they knew—their business, the products they produced and the ways in which their companies contributed to local employment and economic growth. This provided a natural transition into the external problems they face and their concerns over the positive or negative consequences of legislation currently being considered by Congress.

In following Speaker O'Neill's line of thought, members generally concluded each meeting by inviting their lawmaker to take a tour of their manufacturing plant when they are back in their home district. As Rick Parrino at Plum Systems found out when Senator Grassley visited his plant in Des Moines, Iowa, there is no better way to drive home the concerns of the industry than when they're standing between a stack of lumber and a truss saw and can physically see what this industry does. (See "Legislative Conference, Plant Tour Helps CM Establish Relationship with Lawmaker" on page 54.)



Frank Klinger (Mid-Valley Truss & Door, Harlingen, TX) meeting with Congressman Ruben Hinojosa:
 "[Congressman Hinojosa] was for WTCA on all the issues discussed during our visit: trade, transportation and health care. He is a businessman and understands what it takes to run a business."

Tom Manenti (MiTek Industries, Chesterfield, MO) meeting with Senator Jim Talent:
 "Senator Talent remembered us and our issues/concerns from our visit in 2004!"

Slow & Steady

The significant effort put forth by WTCA members in the past was evident during the meetings. The point was made by more than one Washington insider over the course of the conference that relationship building in Congress is a slow and steady process. Indeed, WTCA President Kendall Hoyd shared with members how his visits with his Senators have changed over multiple visits. Now, he gets to meet directly with his legislators, they remember the visit and important concerns from last year, and more time during a meeting is devoted to discussing issues and concerns in greater detail.



Rick Cashman (Florida Forest Products, Largo, FL) meeting with Congressman Bill Young's staff:
 "Mr. [Brad] Stine was very knowledgeable about pending legislation and the Congressman's position on the issues WTCA supports."

Charlie Hoover (Alpine Engineered Products, Haines City, FL) meeting with Congressman Adam Putnam:
 "Great meeting! Adam [Representative Putnam] is very pro-business. This was my second meeting with him and he is very supportive of our industry."

It was clear by the conclusion of the conference the next step in further developing relationships with members of Congress is to focus on meeting with them while they are in their home districts throughout the year. Be on the look out for **Legislative Alert!** emails and other communications from WTCA staff as they endeavor to help WTCA members set up plant tours and meetings during the month of August while Congress takes a five-week summer break.

In Pictures:

Top: (left to right) Frank Klinger (Mid-Valley Truss & Door), Congressman Ruben Hinojosa (D-TX) and Tom Whatley (Eagle Metal Products)
Middle: Benn Miller from Congressman George Miller's (D-CA) office and Kelly Sias (Simpson Strong-Tie)
Bottom: (left to right) Charlie Hoover (Alpine Engineered Products), Angie Hoover and Congressman Adam Putnam (R-FL)



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Talking Points



In addition to the 2005 Legislative Policies & Positions handbook created for WTCA members to use during visits with their Congressional delegates and legislative assistants, a series of talking points were drafted to frame the most important issues facing the structural components industry and provide guidance to lawmakers on each topic.

As agreed to by the WTCA Board of Directors, the main issues addressed at the legislative conference this year were:

- Immigration reform and its impact on the structural components industry's workforce.
- Free trade and the various ways U.S. trade policy impacts the cost of business.
- Health care and the need for additional ways to provide affordable health insurance to employees.
- Tax reform and the importance of permanently repealing the estate tax.
- Transportation and the need for additional funding for transportation infrastructure.

Below are the talking points used by members at the legislative conference to discuss these important issues, they can also be found electronically on the **SBC** Legislative web site at www.sbcleg.com.

Immigration

Workforce Shortage

- A skilled and productive workforce is a critical factor in maintaining competitiveness in the manufacturing sector. Companies that manufacture structural building components are experiencing serious workforce shortages, and the pool of qualified job candidates is shrinking.
- Regardless of economic performance, the National Association of Manufacturers projects that by 2020 the U.S. will face a dramatic shortage of employees with the kind of skills necessary for modern manufacturing.
- Every area, from entry-level workers, operators and assembly line workers to technicians and engineers, is affected. As the government seeks to tighten and secure our nation's borders, it is important to remain aware of the significant impacts any action may have on the work force of American business.

Changing Demographics

- The opportunities for young people to move up the career ladder within the structural building components industry are tremendous. Yet, the number of young people who enter the skilled trades continues to diminish.
- Young workers are discouraged from entering these types of manufacturing jobs because of other alternatives in the education system and parental guidance. Alternatively, immigrant populations are generally eager to fill these types of jobs.

Immigration Policy

- As such, it is essential that employers in the structural building components industry should be able to legally hire foreign workers to ease the nationwide manufacturing labor shortage.
- WTCA supports streamlining current immigration programs and/or creating new employment-based programs that allow builders to hire foreign nationals when U.S. workers are not available to fill jobs.

Definition:

talk•ing points: (n.)
paraphrased issues from
which a speech, presenta-
tion or interview are made.

- The U.S. Department of Homeland Security should receive additional funding for the purposes of increasing border security, criminal and background checks on visa applicants, and identification of undocumented workers and foreign individuals living in the United States.
- Further, Congress should appropriate funds to more effectively track foreign workers and implement "counterfeit-resistant" work authorization cards so that employers are not subjected to risk when hiring immigrant workers.
- Most importantly for our industry, Congress should enact a "Willing Worker Program" to bring foreign workers to the U.S. for jobs that would otherwise go unfilled.

Legislation Views

- In January 2004, President Bush announced a new proposal for immigration reform. Outlining a series of key principles, the President proposed the creation of a new category of temporary worker visas. Visas would run for three years, and be renewable. WTCA will support all legislation that embodies these principles.
- Given the need for immigration reform that takes into account the need for foreign-born workers, WTCA supports the following bills: S. 359/H.R. 884 (AgJOBS), H.R. 793/S. 352 and H.R. 257. For the same reasons, WTCA does not support the following bills in their current form: H.R. 418, H.R. 1268, H.R. 1320 and H.R. 1200.

Trade

Free Trade

- U.S. trade policies should encourage free trade that increases resource availability, reduced cost and increased quality of imported materials, which lowers the overall cost of manufactured products to the product buyer.
- The structural building components industry uses a number of products that are imported from other countries, of which Canadian lumber is the most prominent. The industry should be able to purchase quality products from the least costly provider.

The Byrd Amendment

- Products from foreign countries deemed subsidizing or dumping their exports to the U.S. are subject to countervailing (CVD) and anti-dumping (AD) duties. The Byrd Amendment allows for distribution of these duties. Unfortunately, these duties are imposed with no consideration of the adverse impact on product buyers or on the overall economy.
- The Byrd Amendment has simply encouraged additional U.S. companies to file more protectionist suits to reap the benefits of a direct payment from their marketplace competitors. According to the WTO, as recently as 1997 only 15 anti-dumping cases were filed in the U.S., and only nine in the entire first half of 2000. But since Byrd took effect, the numbers have climbed to 76 in 2001, 35 in 2002, and 37 in 2003.

Softwood Lumber

- U.S. softwood lumber producers cannot meet the current demand created by a strong housing market. Today, Canadian softwood lumber imports account for 36 percent of the entire supply available in the U.S. As a raw material, lumber makes up 40 to 50 percent of the cost of a manufactured structural building component.



Author's Note:

One Federal Agency insider asked me which Congressional lawmakers our members were meeting with during the conference. When I asked him which of the 75 members of Congress we were scheduled to meet with he had particular interest in, his eyes got as big as dish plates! Eliciting this reaction from such a veteran of Capitol Hill was vindication our industry is on the right track. Our greatest strength, beyond solid facts and cohesive messages, is that we are located in practically every community in America and have a voice within each one of them.

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Talking Points

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- Essentially, the CVD/AD creates an unintended business incentive for producing more value-added wood products in Canada with lumber not subject to the tariff. The last several years have shown a trend of increased Canadian shipments of components to the U.S.
- The uncertain conditions that currently exist under the tariffs do not allow structural component manufacturers to create a long-term strategic business model that serves the best interests of their employees or their customers.

Policy Views

- WTCA supports an immediate resolution to the current softwood lumber dispute between the U.S. and Canada so that the Canadian timber and lumber markets function in a way that timber and lumber are priced in an open and competitive manner, and all U.S. companies, including U.S. wood structural component manufacturers, are able to compete in their marketplaces on a completely fair and equitable basis.
- WTCA supports efforts to promote free trade. This can include, but is not limited to: legislation that would limit the definition of foreign subsidies and dumping; changes to government policy to eliminate quotas, tariffs, export taxes, and other barriers to imports on all building materials; and legislation requiring consideration of product buyers' economic interests when establishing trade policies.
- WTCA has consistently opposed the Byrd Amendment because it essentially creates a double benefit for targeted companies: first, through an increase in prices due to a tariff-induced reduced supply; and second, through the distribution of tariff dollars to the petitioning companies that already gain the benefit from the increased prices.

Health Care

Control High Costs

- The ongoing increase in medical and insurance premium costs in this country is creating a significant barrier to high-quality, accessible health care.
- Unless these costs are quickly brought under control, many manufacturers within the structural building components industry will be unable to provide their employees with adequate health benefits, and may be faced with the difficult choice of dropping health benefits entirely.

Association Health Plans (AHPs)

- More than 80 percent of the structural building components industry is made up of small business owners who average less than \$5 million in annual sales and have less than 50 employees.
- Currently, they are experiencing annual health insurance premium increases averaging nearly 20 percent, which is capital that alternately could be used to expand their businesses, develop new products, pay their employees better wages and create jobs.
- The CBO has estimated that small businesses obtaining insurance through AHPs should experience average premium reductions of up to 25 percent, because they enable small businesses to take advantage of the same regulatory status, purchasing clout, economies of scale and administrative efficiencies that many large corporations currently utilize.

Legislation Views

- WTCA believes Association Health Plans (AHPs) are a viable option for America's small business sector and their employees and supports H.R. 525.

Taxes

Permanent Repeal of Estate Tax

- The Economic Growth and Tax Relief Reconciliation Act of 2001, H.R. 1836, was signed into law on June 7, 2001. Among various individual tax benefits contained within this measure, the elimination of the estate tax is particularly important with regard to small business ownership, as business assets and net worth are passed on through family members.
- Under this bill, the estate tax will be repealed in 2010. Therefore, in 2010 this federal tax would no longer be assessed on heirs unless the heirs sell the assets. Upon sale, the assets would be subject to a capital gains tax rate of 20 percent or 25 percent for recaptured depreciation.
- In 2011, however, the tax cuts, along with the repeal of the estate tax will sunset and the rates will revert to their tax structure prior to the enactment of legislation.
- Efforts to reform the estate tax only lead to a more complex code, which means family businesses will spend even more money on estate lawyers, accountants and life insurance policies. Only full repeal will protect family business owners who want to pass their businesses on to the next generation.

Legislation Views

- WTCA supports efforts like H.R. 8 and S. 420 to make the repeal of the estate tax permanent, ensuring the continued success and vibrancy of small businesses in America.

Transportation

Infrastructure Use

- Transportation infrastructure is the backbone on which this nation's commerce relies. The U.S. DOT reports that on a typical day in 2002, about 43 million tons of goods valued at about \$29 billion moved nearly 12 billion ton-miles on the nation's interconnected transportation network.
- All manufacturers within the structural building components industry utilize commercial motor vehicles (CMVs) for transport of their products from the manufacturing site to the building construction site. In addition, most structural component manufacturers rely on rail for delivery of their raw materials.

Funding Need

- As the nation continues to grow and consumer demand shapes growth patterns and preferences, the U.S. transportation system must also grow to accommodate that demand.
- Both road and rail infrastructure are currently inadequate to meet current demands, which has a negative impact on a structural component manufacturer's ability to obtain raw materials in a timely manner, and deliver their manufactured product when it is needed.

Policy Views

- WTCA supports expanded funding of transportation infrastructure through reauthorization of TEA-21 (H.R. 3) to meet the increasing demand born through both population growth and intermodal commerce.



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Conference *Speakers*

As the latest dispute over softwood lumber imported into the U.S. from Canada enters its fifth year, there is not much on the issue that hasn't been discussed among the WTCA membership during their annual DC visits. So when James Mendenhall, acting general counsel for the Office of the United States Trade Representative (USTR), and lead negotiator for the U.S. in this trade dispute, arrived to speak on the issue, he found a room full of determined individuals who were exceptionally knowledgeable on the subject.

While this topic has been a key focus during past annual legislative conferences, Mendenhall's speech was a rare opportunity to get a frank and informed opinion on where the dispute currently stands. Not surprisingly, Mendenhall's characterization of the negotiation process was a pragmatic one—a negotiated settlement is in the best interest of both countries, but if such an agreement is going to happen, it will take a great deal of work. He also indicated that at present, an agreement is not close at hand. Currently, the U.S. side is focusing on three issues: a market-based system in Canada, interim export taxes (with well defined exit ramps as sound lumber market reforms are made in Canada) and a dispute resolution process.

James Mendenhall

James Mendenhall is acting general counsel for the Office of the United States Trade Representative (USTR). He is responsible for U.S. trade and investment policy, in addition to overseeing the World Trade Organization negotiations in the General Agreement on Trade in Services (GATS) and Trade-Related Aspects of Intellectual Property. Along with supervising the annual "Special 301" report, which monitors the adequacy of worldwide laws to protect intellectual property, he is responsible for monitoring the adoption and enforcement of laws to protect U.S. patents and copyrights in foreign countries. Before joining the USTR, Mendenhall was a partner with Powell, Goldstein, Frazer and Murphy, where he specialized in WTO litigation, international arbitration and trade policy. He graduated from the University of Notre Dame and Harvard Law School.

According to Mendenhall, the Canadians have no interest in privatizing their forest industry. He indicated the real issue then is what mechanism should be used to simulate a market system. On the U.S. side, there are significant concerns over how to prove an artificial system functions like an actual market. The Canadian government has resisted an "effects test" proposed by the U.S., but Mendenhall said they have not yet proposed an alternate solution.

"Your voice is being heard now and will continue to be in the future."

In Pictures:

Close: (left to right)
JoLynn and Steve Spradlin
and David Mills (Capital
Structures Inc.)

Middle: Scott Arquilla
(Best Homes Inc.)

Far: (left to right)
Joe Hikel (Shelter Systems),
Ken Cloyd (California Truss)
and Barry Dixon (True Truss).



"This was a wonderful opportunity to have someone intimately involved in the softwood lumber dispute with Canada tell us exactly what is going on. His candor and openness was informative and refreshing, and his willingness to hear our ideas and support our cause gives me confidence our interests will be considered during the negotiation process." —WTCA Legislative Committee Chair Allen Erickson (Cal-Asia Truss, Concord, CA), pictured at right with Mr. Mendenhall

Mendenhall turned the discussion back to WTCA members and inquired about the benefits of price certainty that could result from a quota or tax system. The general consensus around the room was:

- Volatility caused by any market restriction like a tariff can have a significant effect on each component manufacturer's balance sheet, and reduces margins on long-term contracts many component manufacturers end up signing on larger projects.
- An increase in lumber costs was not as much of an issue as the potential for a tariff-induced price disparity between lumber purchased in Canada and lumber purchased in the U.S., where U.S. companies can't compete with Canadian component manufacturers who are able to purchase lumber not subject to the tariff.

He agreed secondary effects of trade remedies should be considered, but conceded certain favorable U.S. trade laws allow companies like the members of the Coalition for Fair Lumber Imports to seek trade remedies against foreign imports. While these laws exist, Mendenhall said it will be difficult to avoid a repeat of the current situation in future years (i.e., continued lumber trade litigation), which Mendenhall affectionately referred to as Lumber 5 and Lumber 6, unless a long-term negotiated settlement can be reached prior to the 2006 national election.

Mendenhall was then asked the question, "what can WTCA members do? How do we have a voice?" His answer was not only instructive, it provided hope: "Your voice is being heard now and will continue to be in the future." He asked the members of WTCA to share their thoughts for a resolution of the dispute, and indicated he was open to any new ideas they may have during the negotiation process. In the end, the dialogue with Mendenhall is the closest WTCA members have gotten to having a seat at the negotiation table, and provides an open door for future communication, and clear next steps for our industry.



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Supplier Sponsor:

Many thanks to Weyerhaeuser and TrusJoist for generously sponsoring drinks during dinner at The Palm.



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Conference Speakers

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“...what you are doing here is being noticed...”

The saying, “it pays to have friends in high places,” may sound like a cliché, but in the case of Everett Eissenstat, it fits. Eissenstat is the current chief international trade counsel to the chairman of the Senate Finance Committee, Senator Charles Grassley (R-IA). In that role, Everett has become a significant ally for WTCA members, not only in affecting the softwood lumber dispute with Canada, but in having a voice within the halls of Congress.

In speaking to WTCA members during the legislative conference in Washington, DC, he extolled the virtues of the annual pilgrimage. His primary message was, “what you are doing here is being noticed, and you are having a significant impact.” Eissenstat told members constituents from home, who show the level of dedication that WTCA members have by traveling annually to DC, carry much more weight in their message than any of the lobbyists who reside in DC and are paid to voice their various opinions.

In addition, Everett reminded those in attendance the process of establishing relationships in Congress and building influence is a long and steady process, requiring a commitment to be consistently involved. Fortun-

Everett Eissenstat

Everett Eissenstat serves as chief international trade counsel to the chairman of the U.S. Senate Finance Committee. He is responsible for advising the chairman on all international trade matters before the committee and coordinating the international trade work of the Finance Committee Republicans. His legislative responsibilities include Trade Promotion Authority, implementation of free trade agreements, preferential trade arrangements and sanctions policy. Eissenstat is also responsible for the oversight of U.S. government international trade agencies. Before joining the Finance Committee, he served as a member of the 2000 Bush Cheney Presidential Transition Team for the Office of the United States Trade Representative (USTR), the U.S. Department of Commerce Office of Import Administration and the International Trade Commission. Prior to that, he worked as a special assistant in the Office of the Western Hemisphere at the Office of the USTR. Eissenstat received his juris doctorate from the University of Oklahoma; he also earned an M.A. in Latin American Studies from the University of Texas at Austin and a B.S. in Political Science and Spanish from Oklahoma State University.

ately, WTCA members have shown not only do they have a commitment to this process, but they consistently bring a credible and reliable message. He encouraged members to continue returning to DC each year to



In Pictures:

Close: Rick & Katrina Cashman (Florida Forest Products)

Middle: Kendall Hoyd (Idaho Truss) and Simon Evans (Bay Truss, Inc.)

Far: Bob & Perky Becht (Chambers Truss)

"Everett has been, and continues to be a friend to our industry. His remarks hit home on how our ongoing efforts in Washington, DC are having an impact, and that we need to continue building these relationships, both on Capitol Hill and back home in each of our districts."

—WTCA President Kendall Hoyd
(Idaho Truss, Meridian, ID), pictured at right


build relationships, and to invite their lawmakers to tour their plants, which Senator Grassley had done recently at Plum System's plant with Rick Parrino in Des Moines (see page 54 for an article on the tour).

Turning to substantive issues, Eissenstat addressed the Byrd Amendment and the "double-subsidy" it provides for companies who petition for trade remedies. In his opinion, he said it was unfair that companies get the benefit of increased prices due to the trade tariffs, and then the Byrd Amendment allows for the collected tariffs to then be passed on to the companies as a second benefit—a virtual "double-dipping."

While President Bush has called for a full repeal of the Byrd Amendment in the budget he submitted to Congress this year, Eissenstat didn't think a full repeal would occur given the Congressional popularity of the law. Instead, he suggested WTCA members should propose Byrd reform ideas directly to their Congressional lawmakers. Creativity may be the key, as Everett argued, "You could have the [collected tariffs] going to make children's shoes. Who would vote against that?"

He also discussed the trade agreement process in the U.S., and the division of power between the Executive and Legislative branches of the federal government. In order to maintain credibility, the Executive Branch must have the freedom to negotiate an agreement with other countries, and then allow Congress to vote it up or down without amendment. According to Everett, this process was put in place early in the 20th century and has worked well overall.

The latest trade agreement, the Dominican Republic-Central American Free Trade Agreement (DCAFTA), will prove to be a significant test of the way trade agreements are forged between the U.S. and other countries. He insisted if the DCAFTA failed in Congress, it would seriously undermine our nation's credibility and our ability to create lasting trade agreements in the future.



"....constituents from home, who show the level of dedication that WTCA members have by traveling annually to DC, carry much more weight in their message than any of the lobbyists who reside in DC and are paid to voice their various opinions."

Supplier Sponsor:

Many thanks to MiTek Industries, Inc. for generously sponsoring drinks during dinner at Ruth's Chris Steakhouse.



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Agency Visits

As part of WTCA's commitment to continually improve the products and services it provides its members, additional targeted federal agency meetings were added to the traditional line up of Capitol Hill visits that Legislative Conference registrants could attend.

In addition to the issues of primary focus for meetings with individual legislators, the federal agency visits allowed WTCA members the chance to address issues such as inadequate railroad service and errant demurrage charges, guest worker programs, opportunities for U.S. manufacturing, and workforce training and education opportunities within the structural components industry.

Dept of Transportation



In Pictures:

(left to right) Brian Johnson (Structural Technologies, Inc.), Kent Pagel (WTCA Legal Counsel), Ken Cloyd (California Truss Co.), Chairman Roger Nober (STB), Scott Arquilla (Best Homes, Inc.), Don Groom (Stark Truss Co.), Stan Sias (Lumbermens Merchandising Corp.) and Kelly Sias (Simpson Strong-Tie)

Surface Transportation Board

Chairman Roger Nober • Office of the Chairman

Federal Railroad Administration

Deputy Associate Administrator Jane Bachner • Office of Industry & Intermodal Policy

There are two agencies within the U.S. Department of Transportation with jurisdiction over our nation's railroad system: The Federal Railroad Administration (FRA), and the Surface Transportation Board (STB).

The STB is an economic regulatory agency Congress authorized to resolve railroad rate and service disputes and to review proposed railroad mergers. Its jurisdiction includes the issue of demurrage charges imposed by the railroad on its customers under certain circumstances.

The purpose of the FRA, on the other hand, is to create, enact and enforce rail safety regulations; administer railroad assistance programs; and conduct research and development in support of improved railroad safety and national rail transportation policy. Within the FRA, the Office of Industry & Intermodal Policy provides support, analysis and recommendations on broad subjects relating to the railroad industry, such as mergers and restructuring, economic regulation, financial health and labor-management issues.

Between these two meetings, WTCA members had a significant opportunity to begin addressing an issue that has increasingly impacted component manufacturers: rail service, rail rates and demurrage charges. At issue is the clearly inadequate infrastructure of rail that currently exists in almost every region of the U.S., and how the resulting congestion and shortage of available railcars has led to unreliable rail delivery and aggressive fee charges on the part of the rail companies.

Particularly during the meeting with STB Chairman Nober, a Bush administration appointee, WTCA members had a chance to express their frustration with the rail industry's practice of constructively placing rail cars within rail yards, as opposed to a component manufacturer's rail spur, and charging demurrage fees even though those cars cannot actually be unloaded by the component manufacturer.

Chairman Nober argued that, in theory, demurrage charges were intended to make those who didn't unload railcars in a timely manner to pay for the extend-

"I was really impressed with how much the Legislative Conference had to offer. This was my first time there, and while I live nearby in Virginia, I had never been to a Congressional office before. Not only were the meetings with the lawmakers exciting, I felt I had a significant chance to voice the concerns I have with railroad service on the East Coast when we met with Surface Transportation Board Chairman Roger Nober. I'm definitely coming back next year."

—Brian Johnson (Structural Technologies, Inc., Ashland, VA)

ed use. However, in the case WTCA members brought to his attention, he conceded it appeared as if the rail companies were abusing the demurrage system.

In the case of both meetings, the individuals admitted not much could be done in the short run to address some of the severe infrastructure deficiencies existing in the rail system. However, they indicated that funds in the transportation reauthorization bills currently being considered by Congress would provide some assistance for increased rail infrastructure.

Chairman Nober gave WTCA members two additional avenues to address their concerns with the rail industry: the Rail Consumer Assistance Program (RCAP) and the Railroad-Shipper Transportation Advisory Council (RSTAC).

The Rail Consumer Assistance Program is an informal means of working with the STB and the railroads to resolve problems and address shipper concerns. Since the program is informal, under it the STB acts as an intermediary and elevates the comments of shippers beyond the customer service organizations at the railroads. In Chairman Nober's words, "We [STB] will generally have the ability to introduce this issue to the rail company at a higher level than you normally would." This program has effectively handled over 425 complaints, ranging from demurrage to rates for service, since it was created in 2000.

The RSTAC serves as a forum for private-sector discussions concerning solutions to business conflicts by focusing particularly on matters of concern to small rail shippers and small railroads, such as car supply, transportation rates, competitive issues and procedures for addressing complaints. Chairman Nober suggested WTCA members could bring regional concerns before the RSTAC for their review and recommendations.

Dept of Homeland Security

U.S. Citizenship & Immigration Service

Mr. Carlos Iturregui • Chief of Policy & Strategy

The creation of the Department of Homeland Security (DHS) is arguably the most significant change within the federal government since the various divisions of the Armed Forces were combined in 1947 under the Department of Defense. As a result of the restructuring under DHS, the Immigration and Naturalization Service (INS) was taken out of the Department of Justice, and brought under DHS as the U.S. Citizenship and Immigration Service (USCIS).

Given the large number of foreign-born citizens employed within the structural components industry, any reform of the nation's immigration policies could potentially have a significant impact on our industry's workforce. Both Presi-

Chairman Nober gave WTCA members two additional avenues to address their concerns with the rail industry: the Rail Consumer Assistance Program (RCAP) and the Railroad-Shipper Transportation Advisory Council (RSTAC).



In Pictures:

(left to right) Scott Arquilla (Best Homes, Inc.), Carlos Iturregui (USCIS) and Sean Shields (WTCA Staff)

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Agency Visits

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USCIS Chief of Policy & Strategy Iturregui said WTCA's timing with regard to immigration reform could not be more perfect.

dent Bush and prominent members of Congress have called for immigration reform, and WTCA members shared their concerns over such reform, not only with their Congressional delegates, but also with the policy office of the recently renamed USCIS.

The USCIS mission is to: secure America's promise as a nation of immigrants by providing accurate and useful information to all those seeking to live in America; grant immigration and citizenship benefits, promoting an awareness and understanding of citizenship; and ensure the integrity of our immigration system.

Within the USCIS, the Office of Policy & Strategy directs, prioritizes and sets the agenda for agency-wide policy, strategy and long-term planning activities, as well as for the conduct of research and analysis on immigration services issues. In short, they provide perspective to Congress and the Administration regarding long-term immigration policy, and analyze whether any proposed changes will have a positive or negative effect.

During the Legislative Conference, a group of WTCA members met with the head of the USCIS Office of Policy & Strategy, Carlos Iturregui. During the meeting, members had the opportunity to share their views on the impact immigration reform may have on the nation's workforce.

Mr. Iturregui said WTCA's timing with regard to immigration reform could not be more perfect. Earlier that morning he had met with President Bush, who had emphasized his commitment to immigration reform and the need to not only process existing immigration applications, but also create a system under which immigrants could apply for renewable three-year work visas. He encouraged WTCA members to continue their efforts to talk to Congress about immigration reform, and to push for consideration of work visas and similar guest worker programs.

Dept of Commerce



In Pictures:
ITA Assistant Secretary Al Frink

International Trade Administration

Assistant Secretary Al Frink • Office of Manufacturing & Services

Until 2003, a driving force of the nation's economy had but a whisper of a voice within our federal government: manufacturing. In September of that year, President Bush announced as part of his pro-growth policies, he would create a new position within the Department of Commerce, an assistant secretary for manufacturing and services.

This position would lead the newly created Office of Manufacturing & Services, charged with enhancing economic growth and creating better-paying jobs within the U.S. manufacturing sector. In October 2004, President Bush nominated Al Frink, a small manufacturing business owner in California, to be the first individual to hold this position. At the time, WTCA signed on to a letter drafted by the National Association of Manufacturers (NAM) pledging strong support of Mr. Frink's nomination.

During Assistant Secretary Frink's meeting with WTCA members, he talked of his struggles in creating a federal agency virtually from scratch. He impressed upon those in attendance how his varying experiences over 30 years of work within the manufacturing sector had prepared him in small ways for the wide

"Secretary Frink is an ex-businessman who understands our concerns and invited us to join with him to make a difference inside the Beltway."

—Priscilla Becht (Chambers Truss, Fort Pierce, FL)

array of issues he would have to understand in his new position.

Frink shared with members his commitment to advocate, coordinate and implement policies that will help U.S. manufacturers compete globally. He focused his comments specifically on the need for U.S. manufacturers to become more efficient and competitive through increased educational opportunities; to market themselves and the manufacturing sector better among youth just entering the workforce; and, to pursue greater innovation to survive hard economic times, or what he termed, "life after lean."

Finally, Assistant Secretary Frink presented WTCA members a unique opportunity to join one of the Industry Trade Advisory Committees (ITAC), a series of public-private boards that provide input to the ITA on pending trade policies and issues facing the manufacturing sector.

Dept of Labor

Employment & Training Administration

Business Relations Group staff

Within the Department of Labor, the Employment and Training Administration (ETA) supervises federal government job training and worker dislocation programs, federal grants to states for public employment service programs, and unemployment insurance benefits. These services, while administered on the federal level, are primarily provided through state and local workforce development programs, such as Community Development grants.

Within the ETA, the Business Relations Group (BRG) serves our nation's workers and employers by creating public-private partnerships. It applies innovative approaches to help business and industry better access the services of the state and local workforce investment system, and to educate the public and the workforce system about jobs in demand and available career paths that are not well known.

The major initiatives coordinated through the BRG are the Partnerships for Jobs and the High-Growth Job Training Initiative. During the meeting between BRG staff and WTCA members, these were the two programs most discussed. In particular, it was clear there were some possibilities for partnership through the WTCA's new Work Force Development (WFD) Portal web site. At the conclusion of the meeting, it was agreed that a follow-up teleconference between BRG staff and WTCA staff would be set up to explore how best to meet DOL and WTCA needs in the area of employment opportunities. **SBC**

"I've been coming to the Legislative Conference for three years, and this visit [to the Department of Labor] was the best meeting I've had. I feel like those people really want to help us."

—Don Groom (Stark Truss Company, Inc., Canton, OH)

**Assistant Secretary
Frink presented
WTCA members
a unique opportunity
to join one of the
Industry Trade
Advisory
Committees.**



In Pictures:

(left to right) Michael Jaffey (DOL),
Dan Krushner (DOL), Kirk Grundahl (WTCA Staff)
and Sean Shields (WTCA Staff)

Photography:

Many thanks to Allen Erickson, Joe Kannapell, Frank Klinger and Steve Spradlin for contributing photos for this recap.

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