

# **Adventures in Advocacy**

Visit <u>www.sbcmag.info</u> for legislative updates and alerts.

Questions or article topics can be sent to sshields@sbcmag.info.

## **Carpe Congress!**

by Sean D. Shields

Carpe Diem, a phrase often overused by self-help pundits meaning "seize the day," does provide some inspiration when looking upon the potential of the newly elected 110<sup>th</sup> Congress. Now, by saying Carpe Congress, I am not suggesting that you "seize your legislator" (certainly not by the throat, even if you are tempted to do so). Rather, I am suggesting there are many opportunities for action our Congressional delegates can seize upon that their predecessors did not.

When historians look back at the body of work accomplished by the 109th Congress, they will likely characterize it as very "pro-business." There was noteworthy work accomplished in the realm of tax credits to encourage research and development, reinvestment and efficiency, not to mention gains towards providing more ways for private enterprise to work with the federal government in order to thrive. There was also significant work done to provide more affordable energy sources and better transportation infrastructure.

However, there are a considerable number of pressing issues not addressed in 2006 that directly affect your business operations. The largest disappointments were over their failure to adopt new laws affecting immigration, health care and tax policy. However, out of these disappointments comes the greatest opportunity for the 110th Congress to succeed. Let's discuss these issue first, and then look at what can be done going forward.

### **Immigration**

Almost no one argues that the immigration system in the U.S. is broken. With nearly one million immigrants entering this country each year illegally, and a visa program that is backed up for years, it is obvious that reform is necessary. However, building political momentum toward overhauling something as significant and complex as immigration is exceedingly difficult and happens rarely as a consequence.

The House of Representatives started down the path toward immigration system reform when it passed H.R. 4437, the "Border Protection, Antiterrorism and Illegal Immigration Control Act of 2004," in December 2005. During the summer of 2006, the Senate took up debate on the immigration issue, and after one unsuccessful attempt to pass legislation, it eventually passed S. 2611, the "Comprehensive Immigration Reform Act."

Since these two pieces of legislation are drastically different, both bills must be considered by a conference committee made up of members of the Senate and House. In the end, conferees were never chosen, and the joint committee never convened to work out a proposed compro-

mise bill, but the fact both chambers passed legislation on this issue is very significant.

#### Health Care

The ongoing increase in medical and insurance premium costs in this country is creating a significant barrier to high quality, accessible health care. Nearly 27 million of our nation's uninsured are small business owners, employees or dependents of small businesses with less than 100 employees. Unfortunately, the structural building components industry is not immune.

One significant way Congress could help in this matter is to pass legislation allowing for Association Health Plans (AHPs). AHPs will give small business owners the power to band together and create a much larger health care coverage pool and enable them to negotiate and provide far more flexible and affordable employee health benefits. A bill allowing for AHPs has been passed by the House every year for over a decade. However, the Senate has consistently failed to agree to a bill or offer their version of an AHP bill. In 2006, the bill with the strongest support was S. 1955, the "Health Insurance Marketplace Modernization and Affordability Act of 2005." This bill came up five votes short of passage, which suggests that with a little more effort, it could pass in 2007.

Congress could also help combat the rising cost of providing employee health care insurance by expanding individual Health Savings Accounts (HSAs). Enhancing HSAs by allowing the dollars saved to roll over from year to year would enable employees to better afford high-deductible health insurance in combination with these pre-tax savings accounts. In addition, they would allow more workers to choose "catastrophic" insurance plans for major medical events, which are more affordable and will reduce the financial burden currently carried by employers.

While there were numerous bills proposed in the House and Senate to address this issue (the most popular was S. 2554, the "Affordability in the Individual Market Act"), none of these measures every made it out of their committees and onto the floor for an actual vote. It is telling that the Council for Affordable Health Care chose not to publish their annual voter's guide in 2006 because there was an acute lack of recorded Congressional votes on legislation aiming at lowering the cost of health care.

Fortunately, inaction on the part of the 109<sup>th</sup> Congress was not from a lack of ideas. They are acutely aware that providing affordable health

care is one of the top issues they need to address in early 2007

#### Tax Reform

There is one area of tax reform you should be glad Congress took no action on. President Bush's Advisory Panel on Federal Tax Reform made several recommendations to Congress regarding reform of U.S. tax policy, including placing a cap on mortgage interest tax-deductions and eliminating the deduction for state and local property tax. Such a move would negatively impact the affordability of homes or the attractiveness of home ownership. Congress chose not to tackle these recommendations, and hopefully they will continue to disregard them in 2007.

Two tax reforms Congress failed to enact, despite strong support, related to the estate tax and an income tax policy on domestic timber. Permanent repeal of the estate tax would dramatically reduce the time, money and energy spent by family business owners on estate planning. According to a recent survey done by the National Association of Manufacturers, small- and medium-sized manufacturers spend an average of \$32,000 annually on death tax planning. Repealing the estate tax would preserve and expand employment opportunities while ensuring the continued success and vibrancy of small businesses in America.

In addition, it's not news to you that our industry relies heavily on U.S. sources of lumber for manufacturing its products. However, the current U.S. tax code puts the U.S. timber industry at a distinct disadvantage against international competition. This situation poses significant negative consequences on you as lumber customers, and ultimately on the American forest products consumer.

Both of these tax reforms were rolled into H.R. 5970, the "Estate Tax and Extension of Tax Relief Act of 2006." It also became known as the "Trifecta" bill, because it also included a raise in the minimum wage. In the end, this bill failed to pass by four votes. This is certainly an area where some or all of its parts could be enacted early in 2007.

So, here we sit on the cusp of a new year so full of potential. All of the issues discussed above are on the forefront of the collective American business owners' consciousness. The enactment of beneficial laws was, in most cases, a handful of votes shy of passage. Instead of bemoaning this fact, now is the time to act. By getting more involved with your members of Congress right now, either through phone calls, emails or plant tours (see "One Plant at a Time: Plant Tour of Duty" on page 28), you can assist Congress in doing a better job by helping them understand how important it is to take action to resolve these issues affecting your business.

So, Carpe Congress, and proactively take this opportunity to help yourself and your business! SBC







For reader service, go to www.sbcmag.info/clark.htm. See additional ad on page 111.

92 December 2006 Structural Building Components Magazine www.sbcmag.info December 2006 Structural Building Components Magazine www.sbcmag.info



## www.sbcmag.info

## Dear Reader:

Copyright © 2006 by Truss Publications, Inc. All rights reserved. For permission to reprint materials-from *SBC Magazine*, call 608/310-6706 or email editor@sbcmag.info.

The mission of *Structural Building Components Magazine (SBC)* is to increase the knowledge of andto promote the common interests of those engaged in manufacturing and distributing of structuralbuilding components to ensure growth and continuity, and to be the information conduit by stayingabreast of leading-edge issues. SBC will take a leadership role on behalf of the component industryin disseminating technical and marketplace information, and will maintain advisory committees consisting of the most knowledgeable professionals in the industry. The opinions expressed in SBC are those of the authors and those quoted solely, and are not necessarily the opinions of any affiliated association (WTCA).

