

THE 111TH CONGRESS

Issues Impacting the Automotive Aftermarket Chemical and
Specialty Products Industry



Agenda

- Composition of Congress
- What's on the Agenda
- Other Issues of Importance to Aftermarket
- Closing Thoughts



House of Representatives

- Democrats have solid majority 257-178
- California power



The Senate

- Democrats close to magic number 60
 - Specter defection
 - 57 Democrats, 40 Republicans, 2 Independent (Lieberman/Sanders), 1 Vacancy



Priority Agenda

- Healthcare Reform
- Greenhouse Gasses
- Card check

Health Care Reform

- Committee consideration to begin in June
- Public plan likely
- Play or pay
- Funding reform: capping tax exclusion for employer programs
- August Recess Target



Greenhouse Gasses

- Passes House Energy and Commerce Committee May 21st.
- Aims to cut U.S. emissions 17 percent by 2020 from 2005 levels.
- Reduce HFC consumption to 15 percent of the baseline by 2032.
- Harmonize CAFE Standards



Greenhouse Gasses

- House bill must go through Ways and Means and Agriculture
- Senate yet to start
- Passage targeted for 2009

Card Check

- Union supported
- Eliminate right to private ballot
- Mandatory binding arbitration
- 60 votes not there
- Compromise?



Other Aftermarket Issues

- Right to Repair
- Cash for Clunkers
- TSCA Reform

Right to Repair

- Requires car companies make information, tools and software available to independent service entities
- Provides protection for car company trade secrets
- FTC oversight



Right to Repair

- Introduced April 22 by Reps. Edolphus Towns (D-NY), Anna Eshoo (D-CA) and George Miller (D-CA)
- Currently has 16 co-sponsors
- Two state bills: Massachusetts and New Jersey

Cash for Clunkers

- Permits consumer to trade-in vehicle obtaining 18 mpg or less for voucher paying:
 - \$3,500 for vehicle getting 4 mpg better than trade-in
 - \$4,500 10 mpg better than trade-in



Cash for Clunkers

- Target sale of one million new cars
- Included in House greenhouse gas bill
- Senate stand alone bill introduced by Senators Deborah Stabenow (D-MI) and Sam Brownback (R-KS)
- Supported by President

TSCA Reform

- Unlikely for 2009
- Concern about "REACH" like reform
- Industry pressing for improved prioritization
- CBI



Closing Thoughts

- Activist, Pro-environmental Congress
- Ambitious first term agenda
- Republican disarray
- “Obama Factor”