



# The 111<sup>th</sup> Congress

Issues Impacting the  
Aftermarket in the Waning  
Days of the Current Congress

# Presentation

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- Major issues on the agenda
- Key aftermarket-related issues
- Congressional timetable
- The election
- Conclusion

# Major Issues on the Agenda

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- Financial regulatory reform
- Immigration
- Energy/climate change legislation
- Supreme Court nominee
- Campaign finance reform
- Unemployment Insurance extension
- Extension of Bush tax breaks

# Aftermarket-Related Issues

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- Right to repair
- TSCA reform
- Small business lending
- Estate tax
- Foreign Manufacturers Legal Accountability Act

# Right to Repair

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- Congressional action unlikely this year
- Massachusetts bill passed Senate and poised for action in House
- Pennsylvania legislation could move
- New York and Illinois unlikely

# TSCA Reform

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- Debate to begin this year
- Final action more likely next session

# Small Business Lending

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- Extend bonus depreciation tax incentives through the end of 2010
- Small business stock exclusion from capital gains
- Creates Small Business Lending Fund through community banks
- Increases SBA loan limits

# Estate Tax

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- Totally phased-out this year
- Will return to pre-2001 levels next year
- House passed version 45% rate, excludes \$3.5 million per individual (\$7 million for families)
- Senate proposal: 35% top rate with \$5 million exemption (\$10 million for couples) phased in over 10 years

# Foreign Manufacturers Legal Accountability Act

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- Impacts any company importing products that are regulated by EPA, CPSC, or FDA
- Require company to have agent in at least one state to accept civil or regulatory liability for product
- Prohibits importation of covered product where no registered agent exists

# Congressional Timetable

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- August recess scheduled for July 28 and return in mid-September (Senate may go longer)
- Adjournment scheduled for October 8
- Less than 30 days to complete action
- Lame duck session?

# Election

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- Legislators (both parties) facing unhappy electorate
- Control of House of Representatives is definitely in question
- Change in control of Senate unlikely (but majority likely to shrink)
- Watch the state races

# Conclusion

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- Little time left in legislative session
- It's the economy stupid
- Reaching agreement on controversial issues will be difficult
- Balance of power will shift (but how much?)