NAMTAC Newsletter

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Congress Watch

A new fiscal year has begun and the 108th session of Congress has started, however appropriations remain incomplete.

It will be January (or later) before FY04 appropriations are wrapped up. The House passed the $820 billion FY04 omnibus on Monday, but Senate Majority Leader Frist decided not to take the bill up until January. This will mark the second consecutive year that appropriations have not been finished by the start of the new year.

Frist was pressured heavily by President Bush to call Senators back to vote on the omnibus. Frist decided to wait until January because of an earlier promise not to call a roll call vote until January. In addition, the bill is expected to encounter fierce resistance in the Senate. Democrat senators are angry over being left out of negotiations.

The omnibus passed the House 242 to 176. Many fiscally conservative Republicans voted against the bill because of the large number of earmarks (approximate $7.5 billion).

The compromise to raise the Federal Communications Commission broadcast ownership cap to 39 percent instead of 45 percent has raised tempers in the House and Senate. Many legislators wanted the increase completely blocked. Legislation to rollback the increase will likely be introduced in 2004.

Bush met with Chinese Premier Wen Jiabao at the White House on Tuesday. The talks did not result in China agreeing to stop manipulating its currency. The administration has also indicated that it will not pursue a Section 301 trade case to force China to stop artificially fixing its exchange rate.

Senate Subcommittee on Oversight of Government Management Chairman George Voinovich was upset that the administration is not pursuing a Section 301 case. Voinovich warned that Congress will take action to remedy the China currency problem if the administration does not.

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NYSBDC's Project With Veterans Wins

The New York State Small Business Development Center was selected to receive an Outstanding Project of the Year (POY) award for the project, “Veterans Business Outreach Program,” in the Special Assistance category.

The project was selected following criteria in NAMTAC Guidelines, and was judged on results, economic impact and the use of innovative strategies in solving problems.

The Veterans Business Outreach Program (VBOP) is designed to deliver focused business training, counseling and mentoring to men and women honorably discharged from the U.S. military, especially veterans with service-related disabilities. Three business advisors and the coordinator, all of whom are veterans, have earned for the VBOP a reputation as a national model.

In just three-and-a-half years, the project has counseled over 5,000 veterans. Veterans have located $76.5 million for their businesses and 3,280 jobs were saved or created. More than 6,000 New York veterans have been trained.

NAMTAC congratulates the NYSBDC on its success. Additional POY winners will be detailed in subsequent newsletters.

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VOTING DEADLINE

* The deadline for organizational members to vote on proposed changes to NAMTAC's By-Laws is December 15, 2003.

* A ballot and copy of the By-Laws are attached.

Congress Watch *(continued from page 1)*

U.S. businesses are in the process of selecting a law firm to look into legal avenues of dealing with China's currency. A case could be brought before the World Trade Organization (WTO).

As a result of China continuing to manipulate its currency, U.S. businesses are placed at a competitive disadvantage.

U.S. manufacturers announced in a report released by the National Association of Manufacturers and the Manufacturers Alliance/MAPI that U.S. non-production costs (corporate tax rates, employee benefits, tort litigation, regulatory compliance and energy) are higher than international competitors. As a result, despite manufacturing productivity increases, U.S. manufacturers have lost trade and jobs. The report asks Congress to address the many problems plaguing the manufacturing sector. A copy of the report can be found at: http://www.nam.org/costs.

The Labor department reported that 17,000 manufacturing jobs were cut in October. This is the 39th month that the manufacturing sector has lost jobs. However, a 2.2 percent increase in orders for U.S. factories was reported by the Commerce Department. Overall the Labor Department reported the unemployment rate was down to 5.9 percent for October.

Bush lifted steel tariffs last week that had been in place since March 2002. The president said the tariffs had done their job and that leaving them in place any longer could harm the economy. In addition, the U.S. had been facing the threat of tariffs from the European Union since the WTO ruled the tariffs were illegal.

Since the tariffs were put in place steel prices have leveled, demand for steel internationally has increased and U.S. steel imports have decreased. The industry has not been nearly as vocal over the removal of the tariffs as expected. Steel consuming businesses praised the president's decision since it will lower consumer prices. Bush has agreed to continue monitoring the market and will take future action if needed.

Businesses say the Senate's decision to not take up pension reform before the new year is harming the economy. Senators have promised to evaluate changing the rate used to calculate how much money businesses have to contribute to pension plans in January.

On Wednesday the Supreme Court upheld the Bipartisan Campaign Reform Act. The ban on soft money to political parties and restrictions on candidate advertising were under particular scrutiny. Political Action Committees (PACs), politicians and political parties are trying to spin the decision in their favor, but overall it will likely hurt the Democratic party and PACs the hardest.

The House was only in session on Monday to pass the omnibus. Both chambers will reconvene in time for Bush's State of the Union address. ■

PLEASE NOTE: The newsletter will resume publication in January.

Happy Holidays

from NAMTAC Membership Services