



TirePAC

The Political Action Committee for the Tire Industry

Dear Tire Industry Member:

The Government Affairs Committee would like to thank those who have contributed to the TirePAC and encourage those who have not to consider making a contribution. With your help we are able to better address industry issues legislatively.

TirePAC contributions give candidates and officeholders a clear idea of where TIA stands on an issue and represents the Association's interest. Whereas, when you give personal money directly to a candidate or officeholder they know that you like them personally. The TirePAC expands your influence beyond your own legislative district. It helps direct money to candidates and officeholders you may not know about who support your issues and need our support. The TirePAC makes a carefully studied, well-informed decision on whom to support. The TirePAC makes decisions about candidates and officeholders based on inside knowledge of what really happens to your issues during a legislative session, voting record or things that do not show up in votes.

The Government Affairs Committee has been working diligently to fight the "estate tax" through lobbying and legislative efforts and we are proud to say that by working with Representative Kevin Brady (R-TX), Representative Mike McIntyre (D-NC), and Senator John Thune (R-SD) we introduced full death-tax-repeal legislation titled the "Death Tax Repeal Act of 2013" (S.1183/H.R.2429). The death tax in the eyes of our industry is unfair, unpopular, a jobs killer, and an immoral tax on small employers and families. It is our top legislative priority. TIA believes that we can cut spending or find a tax revenue offset which does far less damage to jobs than the death tax does.

For those who don't know, during every legislative cycle, the Government Affairs Committee updates position papers for industry leaders in an effort to create a better understanding of the key legislative issues at hand. These position papers articulate the stance TIA will take in the 2013-2014 legislative session. Some of the position papers issues include: small business healthcare, work opportunity tax credit, estate tax, lawsuit abuse, retroactive liability provisions of superfund, scrap tires and used oil, national energy bill, federal aid highway bill, urge strong enforcement of the Magnuson-Moss Warranty Act, halt the activist NLRB's efforts unionization of businesses, support the motor vehicle owner's Right to Repair Act, Marketplace Fairness Act, and comp time. If you would like to receive an electronic copy of these position papers, please send an email to TIA's Executive Vice President Roy Littlefield (rlittlefield@tireindustry.org).

From the Government Affairs Committee, we thank you for your continued support and for those who wish to contribute to the TirePAC please send a personal check made out to TIA TirePAC and mail it to Roy Littlefield, EVP at 1532 Pointer Ridge Place, Suite G, Bowie, MD 20716. Your contribution is an important step in protecting the rights of the tire industry. Giving to the TirePAC makes sure someone is looking out for the interests of you and your business.



Thank you,



Ken Brown
Chairman, Government Affairs Committee

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NHTSA UPDATE

Chan Lieu, Director of Government Affairs, Policy and Strategic Planning, National Highway Safety Administration (NHTSA) has written an in-depth letter to TIA concerning the status of the tire fuel efficiency consumer education program mandated by the Energy Independence and Security and Security Act of 2007.

Following extensive efforts with the industry, NHTSA published a final rule specifying the test methods to be used to measure three aspects of performance: rolling resistance, wet tractions, and treadwear life.

The final rule did not include any of the requirements for consumer information and education. Instead NHTSA decided to work with TIA, tire dealers (recruited by TIA), other Federal agencies, and OMB to conduct additional research before issuing a rule on the consumer education requirements.

While NHTSA did not reveal the final proposal, they did provide a summary of their plan:

“NHTSA plans to implement consumer information program in two phases. The first will address the tire maintenance portion of the requirements and update the existing information on NHTSA’s consumer-facing website, SaferCar.gov. The second part of the consumer information program will support educating consumers about the new tire ratings through various materials including fact sheets, and will have these available to consumers and retailers of SaferCar.gov. NHTSA plans on working with the Tire Industry Association prior to finalizing these materials to ensure that the content is accurate and comprehensible. The ratings program will be implemented within six months of the final rule.”

IMMIGRATION REFORM

SENATE PASSES S.744

In a historic vote on June 27, the Senate passed S.744 by 68-32. It would establish a pathway to citizenship for 11 million illegal immigrants and would seal off our border with Mexico by doubling the number of Border Patrol agents to 38,000 and by finishing 700 miles of fence through Texas.

The bill now goes to the House where it faces an uncertain fate. House Speaker John Boehner (R-OH) has repeatedly vowed not to

bring any bill to the floor without majority Republican support, which S.744 does not enjoy. However, Boehner has also privately urged his colleagues to pass immigration reform or else to be prepared for further electoral disappointment. Although a bipartisan group of House members is fashioning a compromise bill, it’s unlikely to reach the House floor. As House Judiciary Chair Bob Goodlatte (R-VA) noted in this statement, his committee has passed several piecemeal immigration reform bills. If any one of them were to pass the House, Boehner could move to appoint conferees. That would allow a compromise bill to emerge from the conference committee, which could pass Congress.

During a closed-door meeting of the House Republican caucus on Wednesday, July 10, House Speaker John Boehner (R-Ohio) and Representative Paul Ryan (R-Wisconsin) urged fellow GOP lawmakers to pass an immigration bill. Boehner reiterated his position that no immigration bill will be brought to the House floor without the support of the majority of the House GOP caucus. Participants in the meeting all agreed that they did not trust the Obama administration to enforce either immigration laws or border security provisions. Boehner warned that there will be consequences for the Republican Party if the House failed to act on immigration. Boehner said the GOP would be “in a much weaker position” going forward if the House did not take action on the issue.

HOUSE JUDICIARY APPROVED H1-B VISA INCREASE

On June 27th, on a party-line 20-14 vote, the House Judiciary Committee passed H.R.2131, which would increase the H1-B visa cap to 155,000 from the current 65,000 and would increase several other categories of visas. Democrats voted against the bill, not because they opposed it, but to express their dismay that House Judiciary has yet to consider a pathway to citizenship.

TAX REFORM

BAUCUS AND HATCH CALL FOR A “BLANK SLATE APPROACH THAT WOULD ALLOW SIGNIFICANT DEFICIT REDUCTION OR RATE REDUCTION, WHILE MAINTAINING THE CURRENT LEVEL OF PROGRESSIVITY.”

Their dear colleague letter of June 27 is an attempt to broaden support, but it’s still hard to find any outside observer who thinks tax reform will be signed into law this year or next. *The Wall Street Journal* reports that Senate Finance Chair Max Baucus (D-MT) and House Ways and Means Dave Camp (R-MI) will hit the road in July to drum up public support. That’s an indication that they don’t have much support from their colleagues yet.

ESTATE TAX LEGISLATION INTRODUCED

Executive Vice President Roy Littlefield represented TIA at a Capitol Hill press conference on the introduction of the “Death Tax Repeal Act of 2013” (S.1183/H.R.2429). TIA supports the provisions in the American Taxpayer Relief Act of 2012 including a \$5 million estate tax exemption, indexed for inflation, permanent lower tax rates and provisions for spousal transfer and stepped-up basis. While these changes represent significant reform to the estate tax rules, TIA continues to believe that repeal is the best solution to protect all family-owned businesses from the estate tax.

As a result of these very high exemption levels, the death-tax issue has fallen off the political radar screen in Washington. That’s a mistake, especially for conservatives who know that the death tax is a redundant, jobs- and growth-killing tax on savings. In an October 2011 study, Regan economist Steve Entin (now at the Tax Foundation) estimated that full death-tax repeal would increase economic output (relative to today’s levels) by nearly \$1 trillion over the following decade. This extra economic growth would increase net federal tax revenues by nearly \$150 billion, even after accounting for the lost death-tax revenue.

TIA believes the estate tax is hurting family-owned businesses because the cost of the estate tax comes not only from paying the tax, but also from estate planning. The estate tax applies to property transferred at death when the value of the property exceeds the estate tax exemption. Much of the value of family-owned business is tied to illiquid assets such as land, buildings, and equipment. This can force the new owner to sell the businesses’ assets to pay the tax.



Supporters of death tax repeal, government officials and media personnel pack the room at the Thune-Brady Death Tax Repeal press conference.



TIA Executive Vice President Roy Littlefield and Senior Washington Reporter for *Tire Business* Miles Moore at the introduction press conference of the “Death Tax Repeal Act of 2013.”

For many family-owned businesses to keep operation after the death of the owner, they must plan for the estate tax. Planning costs associated with the estate tax are a drain on business resources, taking money away from the day to day operations and business investment. These additional costs make it more difficult for the business owner to expand and create new jobs. Protecting family business from the estate tax is important in order to keep these businesses operating for future generations.

TIA stands firm on its belief that it is wrong for the government to tax people twice, once when they earn the money and once when they give it away, if the giving away is done after death, an arbitrary and unpredictable deadline. It’s wrong for the government to create a tax that benefits tax lawyers and insurance companies for their creativity in structuring tax havens rather than helping to create jobs and boost the economy.

The bottom line is that death-tax repeal needs to be a top priority for pro-growth, supply-side conservatives in a post-Obama fiscal future. Representative Kevin Brady (R-TX) and Senator John Thune (R-SD) recently introduced full death-tax-repeal legislation. For the first time in a long time, killing the death tax is within reach. Now is the time to seize this opportunity.

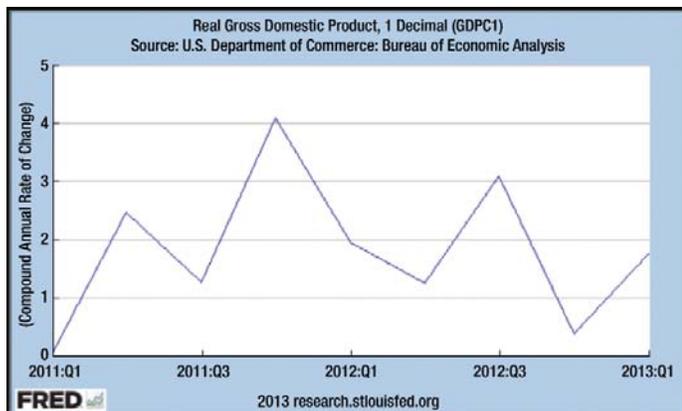


Senator John Thune (R-SD) and Rep. Kevin Brady (R-TX) along with other Death Tax Repeal leaders step back to answer questions at a Capitol Hill press conference.

VITAL SIGNS FOR FAMILY BUSINESSES

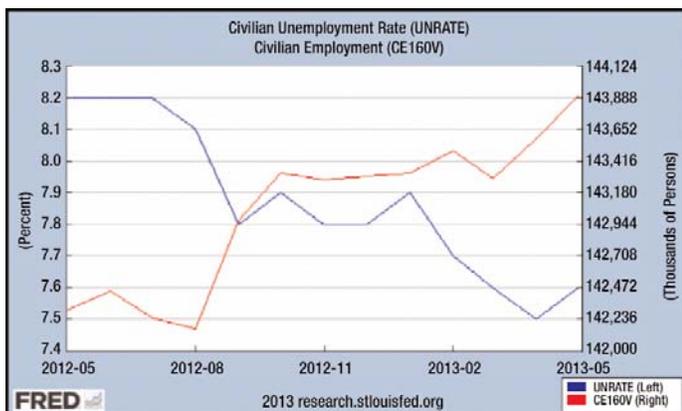
GROSS DOMESTIC PRODUCT

On June 26, the Bureau of Economic Analysis released the third estimate of **Q1 2013 GDP at 1.8 percent** annualized. This is a downward revision of .6 percent from last month. While it is a downward revision, BEA shows growth in Q1 did increase in most sectors of the economy from Q4 2012. The BEA will release the advance estimate of Q2 in July.



UNEMPLOYMENT

In May, unemployment remained relatively unchanged at **7.6 percent** and employment increased by 175,000 jobs. The civilian labor force participation rate was also little changed at 63.4 percent.



CONSUMER CONFIDENCE

Consumer Confidence increased to **81.4 percent** in June, an increase of 7.1 percent from May's 74.3 percent. June represented the third consecutive month of increase, and Consumer Confidence is currently at its highest since January 2008. These increases coupled with considerably improved expectations over the past few months suggest the pace of growth is suspected to slow in the short term with the possibility of modest improvement.

SMALL BUSINESS OUTLOOK

The U.S. Chamber of Commerce Small Business Outlook for Q1 2013 was released in April. The outlook surveys business owners about their views on future changes in their business. This quarter's survey found **79 percent of owners believe the economy is on the wrong track**, 87 percent want more certainty, 86 percent disagree with Senate majority leaders, while 46 percent disagree with House majority leaders, and 79 percent support comprehensive tax reform.

HEALTH CARE REFORM

RE-WRITE OF ACA DEFINITION OF FULL-TIME EMPLOYEE URGED, BUT IT'S UNLIKELY TO HAPPEN THIS YEAR

On June 26th, the House Energy and Commerce heard a parade of witnesses and members of both parties urge a rewrite of the Affordable Care Act to establish 40-hours a week as the definition of a full-time employee, instead of the current 30-hours a week.

Many employers, particularly large retailers and state and local governments, have already shifted employees to less than 30-hours a week, an adverse employment distortion that no author of the 2010 law intended. The threat of total repeal or of dismantling amendments to the Affordable Care Act will prevent Congress from making sensible and very necessary changes this year. After October 1, the clamor for change will increase.

HEALTH-LAW PENALTIES DELAYED FOR BIG EMPLOYERS

The Obama administration said it is delaying penalties for large employers who do not provide health insurance coverage to workers under the federal health care law for 2014, the first year the provision was set to take effect. The health overhaul passed in 2010 requires companies with 50 or more workers to provide health benefits to full-time employees or pay fines starting at \$2,000 per worker.

Many large companies already provide coverage voluntarily, but some industries, particularly restaurant, retail and other sectors with significant numbers of lower-wage workers, had criticized the additional costs they would face under the provision.



TirePAC Prior Approval Form

Federal law requires that the Tire Industry Association (TIA) receive your company's permission before we solicit your officers and employees for contributions to TIA's TirePAC, our federal political action committee. This *Prior Approval Form* is not a solicitation and does not obligate you (or other officers or employees of your company) to contribute to TirePAC, and does not in any way limit contributions you may make to political candidates or parties. However, your company may not provide authorization (to solicit your officers and employees for federal PAC contributions) to more than one trade association in the same calendar year. As indicated below, solicitation authorization may be given to TIA for more than one year in advance. Please complete the form, signing for each year you are providing authorization, and promptly mail or fax it to the address or number shown below.

For federal campaign contributions only, I understand that my company's approval is necessary before TIA may solicit contributions from my company's officers and employees to TirePAC, and understand that my company may not authorize federal PAC solicitations by more than one trade association in the same calendar year. By my signature below, I hereby provide authorization to TIA to solicit my company's officers and employees for voluntary contributions to TirePAC during the calendar years so indicated:

Contact Information (Please PRINT clearly)

Name _____

Title _____

Company Name _____

Company Address _____

City _____ State _____ Zip+4 _____

Country (other than U.S.) _____ Postal Code _____

Phone _____ Fax _____

E-mail _____ Website _____

Please sign below to authorize for one year, or up to five years:

Authorizing Signature Required for 2013 _____

Authorizing Signature Required for 2014 _____

Authorizing Signature Required for 2015 _____

Authorizing Signature Required for 2016 _____

Authorizing Signature Required for 2017 _____

By Mail:

TIA TirePAC
Attention: Roy Littlefield
1532 Pointer Ridge Place, Suite G
Bowie, Maryland 20716-1883

By Fax:

301-430-7283



TIREPAC ENROLLMENT FORM



Yes, I want to join TirePAC to help protect the future of my business and the tire industry!

CONTACT INFORMATION (please print)

Name _____

Home Street Address _____

City _____ State _____ Zip+4 _____

Country (other than U.S.) _____ Postal Code _____

Company Name _____

Occupation _____

SUGGESTED CONTRIBUTION LEVELS FOR 2013

\$25 \$50 \$100 \$250 \$500 Other _____

METHOD OF PAYMENT

Check (make payable to TirePAC) VISA MasterCard AMEX

Credit Card Number _____ Expiration Date _____

Card Holder Name (please print) _____

Card Holder Signature _____ Date _____

Please mail this form to: TIA TirePAC
Attn: Roy Littlefield
1532 Pointer Ridge Place, Suite G
Bowie, MD 20716-1883

or fax to: 301-430-7283

Only **personal checks** and **personal credit cards** are accepted. Corporate donations are prohibited by federal law.

Payment guidelines are merely suggestions, and you may contribute more or less than the guidelines suggest. TIA will not favor or disadvantage anyone by reason of the amount contributed or a decision not to contribute.

Contributions to TirePAC are for political purposes. All contributions to TirePAC are voluntary, and pledges can be revoked at any time prior to the time at which contributions are made. Contributions to TirePAC are not deductible for federal income tax purposes.

Federal law requires TIA to use its best efforts to collect and report to the Federal Election Commission the name, mailing address, occupation and the employer's name of those whose contributions exceed \$200 total in a calendar year.

A copy of our report is filed with and available from the Federal Election Commission, 999 E. Street, NW, Washington, DC 20463, or at www.fec.gov.

TIA complies with all federal election laws and regulations concerning the solicitation and acceptance of PAC contributions, and all other aspects of PAC operations.