



## MEDIA RELEASE

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### THE OBAMA IMPACT ON THE OVERALL SPORTS INDUSTRY: FAVORABLE OR UNFAVORABLE?

WASHINGTON, D.C. – November 11, 2008 – What challenges and opportunities await the sporting goods and fitness industries as the U.S. prepares for a new Administration under President-elect Barack Obama? That question was presented and answered by a team of experts assembled by the Sporting Goods Manufacturers Association (SGMA) during a national 'listen-in' conference call on Friday, November 7th. The four main themes of the conference call were Tax, Trade, Health Care & Physical Activity, and Regulation Issues.

The conference call was moderated by SGMA President Tom Cove. After welcoming those who had dialed in to listen, Cove described the purpose of the call and then introduced the five presenters: Brad Figel, Global Director of Government Relations & Public Affairs, Nike, Inc.; Monica McGuire, Senior Policy Director on Taxation, National Association of Manufacturers; Bill Sells, SGMA's Vice President of Government Relations; Rob Leeburn, President, Troutman Sanders Strategies, LLP; and Autumn Veazey, Manager, Troutman Sanders Strategies, LLP.

#### **Monica McGuire (National Association of Manufacturers) Discussed Tax:**

Expect corporate taxes to increase during an Obama presidency. As 60 votes are required to cut off debate on controversial legislation, what happens with the three outstanding U.S. Senate races in Georgia, Minnesota, and Alaska could have a big impact on voting for tax legislation in the Senate. Democratic gains in the U.S. House of Representatives will lead to changes on the House Ways & Means Committee and will impact what legislation reaches the House floor for consideration.

#### **Brad Figel (Nike, Inc.) Discussed Trade:**

International trade will not likely be a 'frontburner'/priority issue for an Obama Administration. When the President-elect moves forward on the agenda, he will need Congress to grant him trade promotion authority to help resurrect the DOHA Trade Talks and negotiate Free Trade Agreements. The sporting goods industry will need to carefully watch legislative actions that come from Congress related to China trade remedy reform and stronger enforcement of existing trade agreements.

**Bill Sells (SGMA) Discussed Health Care & Physical Activity:**

Under the Obama Administration, one of the goals will be to cut rising costs of health care. Expect large and medium-sized businesses to be taxed if they don't offer health care insurance to their employees. Obama, who is physically active himself, is committed to fighting childhood obesity and is supports wellness programs. He has gone on record in support of more physical activity initiatives such as PE in schools. To give more people access to quality, affordable health care, Obama supports expansion of coverage under the Medicare program.

**Rob Leebern & Autumn Veazey (Troutman Sanders Strategies) Discussed Regulation:**

Expect a pro-regulatory agenda from the White House. Federal agencies will also be more autonomous and active. The best advice is to establish personal relationships with agencies which affect your business. Going forward, it will be harder for private industry to have the same influence over regulatory policies. The two biggest pieces of legislation currently affecting the sports and fitness industries are the Lacey Act and the Consumer Product Safety Improvement Act (CPSIA). The Consumer Product Safety Commission is now defining the scope of which products are affected by CPSIA. The Lacey Act, which was passed to protect against illegal logging and harvesting, was amended and will now have a broader impact on everything from furniture to imported cars. The declaration requirements of the Lacey Act will be a big burden on manufacturers.

The Sporting Goods Manufacturers Association, the #1 source for sport and fitness research and author of the single-sport participation study on basketball, is the global business trade association of manufacturers, retailers, and marketers in the sports products industry. SGMA leads the sports and fitness industries while enhancing industry vitality and fostering sports, fitness, and active lifestyle participation. More information about SGMA can be found at [www.sgma.com](http://www.sgma.com).

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