

Washington Policy and COVID-19 Update

Presented by
The Franklin Partnership, LLC
Policy Resolution Group at Bracewell
April 16, 2021



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Nothing contained in here shall be deemed legal or financial advice.

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TALKING WITH
ONE VOICE

A MANUFACTURING INDUSTRY ADVOCACY PODCAST



Two
Minutes
WITH
One Voice

NTMA NATIONAL TOOLING
AND MACHINING
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PRECISION
METALFORMING
ASSOCIATION

Contents

- CDC Ventilation Recommendations
- CDC Vaccination Recommendations and Workplace Disruptions
- Labor Secretary Delays OSHA COVID Emergency Standard
- OSHA National Emphasis Program
- IRS Updates COBRA, Retention Credit, Meal Deduction, PPE Deduction
- PPP Update
- Infrastructure Legislation
- Supply Chain Disruptions

All information presented as of April 15, 2021

Workplace Safety and Compliance

CDC Ventilation Recommendations

Summary of Recent Changes

Updates as of March 23, 2021

- Simplified language in the overall list of tools to improve ventilation.
- Added three new Frequently Asked Questions (FAQs) on the usefulness of carbon dioxide monitors to inform ventilation decisions, the usefulness of temperature and relative humidity to control the spread of COVID-19, and the use of fans indoors.
- Expanded the FAQ on emerging technologies to include more products available on the market.
- Added additional information with simple calculations to the FAQ on portable HEPA air cleaners to help consumers choose appropriate units for their spaces.

March 23, 2021

https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html?ACSTrackingID=USCDC_10_4-DM53730&ACSTrackingLabel=NIOSH%20eNews%20APR%20%202021&deliveryName=USCDC_10_4-DM53730

CDC Ventilation Recommendations FAQ

Can COVID-19 be transmitted through HVAC (ventilation) systems?

How long will it take to dilute the concentration of infectious particles in a room once they are generated?

Can ventilation filters effectively capture SARS-CoV-2 viral particles?

What is meant by “directional airflow?” How and where should it be used?

What is a HEPA filter and why use a portable HEPA air cleaner?

Does ultraviolet germicidal irradiation (UVGI) kill SARS-CoV-2?

March 23, 2021

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CDC Ventilation Recommendations FAQ

What types of ultraviolet germicidal irradiation (UVGI) devices are available for cleaning and disinfection in the workplace?

Many new air disinfection devices are marketed for their ability to inactivate SARS-CoV-2. How can I tell if they work as advertised?

Can carbon dioxide (CO₂) monitors be used to indicate when there is good ventilation?

Should indoor temperature and humidity be used to help reduce the risk of COVID-19 transmission?

Can fans be used to decrease the risk of COVID-19 transmission indoors?

March 23, 2021

https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html?ACSTrackingID=USCDC_10_4-DM53730&ACSTrackingLabel=NIOSH%20eNews%20APR%20%202021&deliveryName=USCDC_10_4-DM53730

Vaccination Side Effects and Minimizing Disruptions

After COVID-19 vaccination, employees might have some side effects. It is normal for these to occur. Common side effects include pain, redness, and swelling in the arm where they received the vaccination, as well as fever, chills, tiredness, headache, nausea, and muscle pain. Clinical trials found that most signs and symptoms:

- Are mild to moderate in severity
- Occur within the first 3 days of vaccination (the day of vaccination and the following 2 days, with most occurring the day after vaccination)
- Get better within 1–2 days
- Are more frequent and severe following the second dose of an [mRNA vaccine](#) and among younger people compared to those who are older (>55 years)

Cough, shortness of breath, runny nose, sore throat, or loss of taste or smell are **not** consistent with post-vaccination symptoms and instead could be symptoms of COVID-19 or another infection. Find a summary of more information on post-vaccination symptoms for [Pfizer-BioNTech](#), [Moderna](#), and Johnson & Johnson's [Janssen](#) COVID-19 vaccines.

- Encourage employees to get vaccinated as soon as they are eligible and to consider scheduling vaccination appointments 1–2 days before planned days off from work.
- Stagger vaccination appointments so that you are not vaccinating all workers at the same time in a single department, service, or unit where continued operations are required. Staggering vaccination might be more important following receipt of the second dose of an [mRNA vaccine](#) (e.g., [Pfizer-BioNTech](#), [Moderna](#)), when symptoms after vaccination, like fever, are more likely to occur.

April 2, 2021

Labor Secretary Delays OSHA Emergency Standard

“Secretary Walsh reviewed the materials, and determined that they should be updated to reflect the latest scientific analysis of the state of the disease,” a Labor Department spokesperson told Bloomberg Law on Tuesday. The review is of the standard’s analysis of the disease, not the standard’s regulatory text.

It’s been more than three weeks since the March 15 deadline President Joe Biden’s [executive order](#) had set for DOL’s Occupational Safety and Health Administration to decide whether a standard was needed; the order directed the agency to issue a standard if its answer was that Covid-19 posed a grave danger to workers.

Walsh “ordered a rapid update based on the Centers for Disease Control and Prevention analysis and the latest information regarding the state of vaccinations and the variants,” the spokesperson said Tuesday, when asked about the regulation’s delay, adding, “He believes this is the best way to proceed.”

OSHA National Emphasis Program

Purpose.

This Direction describes policies and procedures for implementing a National Emphasis Program (NEP) to ensure that employees in high-hazard industries are protected from the hazard of contracting SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), the cause of Coronavirus Disease 2019 (COVID-19). The NEP augments OSHA's efforts addressing unprogrammed, COVID-19-related activities, *e.g.*, complaints, referrals, and severe incident reports, by adding a component targeting specific high-hazard industries or activities where this hazard is prevalent. The NEP targets establishments that have workers with increased potential exposure to this hazard, and that puts the largest number of workers at serious risk. In addition, this NEP includes an added focus to ensure that workers are protected from retaliation and are accomplishing this by preventing retaliation where possible, distributing anti-retaliation information during inspections and outreach opportunities, as well as promptly referring allegations of retaliation to the Whistleblower Protection Program.

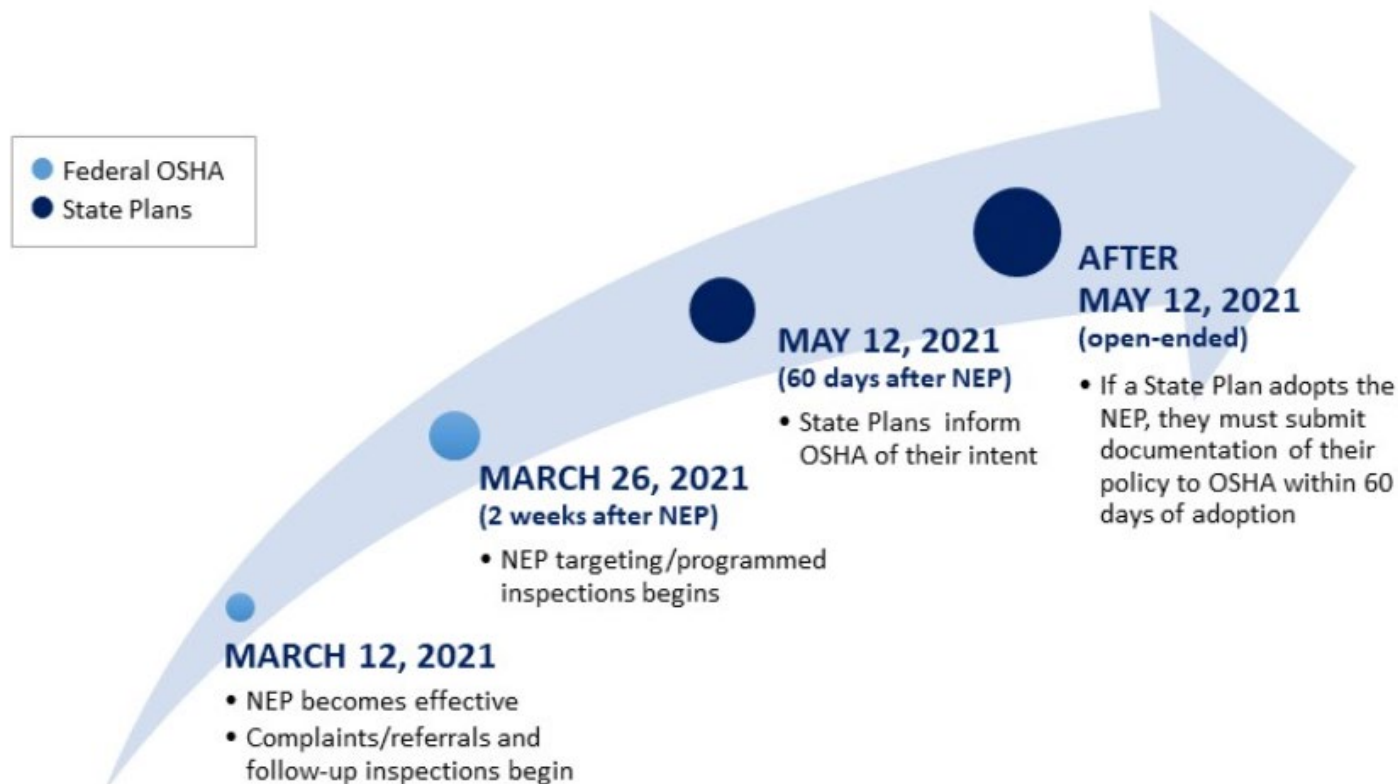
Other NEPs Already in Place:

Combustible Dust	Shipbreaking
Hazardous Machinery	Silica, Crystalline
Hexavalent Chromium	Trenching and Excavation
Lead	Coronavirus (COVID-19)
Primary Metal Industries	
Process Safety Management (PSM)	

<https://www.osha.gov/enforcement/directives/nep>

OSHA National Emphasis Program

Important Dates for the COVID-19 National Emphasis Program



<https://www.osha.gov/enforcement/directives/dir-2021-01cpl-03>

IRS, Tax Credits and Changes

100% COBRA Premiums

Reviewing the Basics: 100% Federal COBRA Subsidy

Under the ARPA, the federal government will pay 100 percent of COBRA insurance premiums for eligible employees who lost their jobs and for their covered relatives through September 2021, allowing them to stay on their company-sponsored health plan. President Joe Biden signed it into law on March 11.

Employers will obtain the subsidy through a payroll tax credit against employers' quarterly taxes and will be responsible for paying health insurance carriers for the premiums. Both fully insured and self-insured group health plans subject to federal COBRA are eligible for the credit against their Medicare FICA payroll taxes and must provide the COBRA premium subsidy to assistance eligible individuals (AEIs) who have elected COBRA coverage, starting April 1.

If the credit exceeds the amount of payroll taxes due from employers, the credit would be refundable when employers submit Form 941, their quarterly tax return. The credit could also be advanced under rules that will be set by the Treasury Department.

April 8, 2021

100% COBRA Premiums DOL FAQ & Notices

Q2: Which plans does the premium assistance apply to?

The COBRA premium assistance provisions apply to all group health plans sponsored by private-sector employers or employee organizations (unions) subject to the COBRA rules under the Employee Retirement Income Security Act of 1974 (ERISA). They also apply to plans sponsored by State or local governments subject to the continuation provisions under the Public Health Service Act. The premium assistance is also available for group health insurance required under state mini-COBRA laws.

- Model General Notice and COBRA Continuation Coverage Election Notice: [MS Word](#) | [PDF](#)
- Model Notice in Connection with Extended Election Period: [MS Word](#) | [PDF](#)
- Model Alternative Notice: [MS Word](#) | [PDF](#)
- Model Notice of Expiration of Premium Assistance: [MS Word](#) | [PDF](#)
- Summary of COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021: [MS Word](#) | [PDF](#)
- [Federal Register Notice](#)

April 7, 2021

DOL COBRA FAQ: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/cobra-premium-assistance-under-arp.pdf>

Model Notices: <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premium-subsidy>

IRS Notice 2021-23: Employee Retention Credit Update

Section 2301(c)(2)(A)(ii)(II) of the CARES Act, as amended by section 207(d)(1)(A) of the Relief Act, provides that an employer is an eligible employer with respect to any calendar quarter for which its gross receipts (within the meaning of section 448(c) of the Code, or, for an eligible employer which is described in section 501(c) of the Code and exempt from tax under section 501(a) of the Code, within the meaning of section 6033 of the Code) for the calendar quarter are less than 80 percent of its gross receipts for the same calendar quarter in 2019. Accordingly, for purposes of the employee retention credit for the first and second calendar quarters of 2021, the determination of whether an employer is an eligible employer based on a decline in gross receipts is made separately for each calendar quarter and is based on an 80 percent threshold.

April 2, 2021

<https://www.irs.gov/pub/irs-drop/n-21-23.pdf>

IRS Notice 2021-25: Temporary 100% Meal Expensing

Section 274(n)(1) provides that a deduction for any expense for food or beverages generally is limited to 50 percent of the amount otherwise deductible under chapter 1. Section 274(n)(2) provides exceptions to the 50-percent limitation of deductions for food or beverage expenses. Section 210(a) of the Act added § 274(n)(2)(D) to the Code, which provides a temporary exception to the 50-percent limitation for expenses for food or beverages provided by a restaurant. Section 274(n)(2)(D) applies to amounts paid or incurred after December 31, 2020, and before January 1, 2023. To provide certainty to taxpayers in determining whether § 274(n)(2)(D) applies, this notice explains when the temporary 100-percent deduction applies and when the 50-percent limitation continues to apply.

for food or beverages provided by a restaurant. For this purpose, the term “restaurant” means a business that prepares and sells food or beverages to retail customers for immediate consumption, regardless of whether the food or beverages are consumed on the business’s premises. However, a restaurant does not include a business that primarily sells pre-packaged food or beverages not for immediate consumption, such as a grocery store; specialty food store; beer, wine, or liquor store; drug store; convenience store; newsstand; or a vending machine or kiosk. The 50-percent limitation of In addition, an employer may not treat as a restaurant for purposes of § 274(n)(2)(D), (1) any eating facility located on the business premises of the employer and used in furnishing meals excluded from an employee’s gross income under § 119, or (2) any employer-operated eating facility treated as a de minimis fringe under

April 8, 2021

<https://www.irs.gov/pub/irs-drop/n-21-25.pdf>

IRS Announcement: PPEs Are Deductible for Individuals

This announcement notifies taxpayers that amounts paid for personal protective equipment, such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of the Coronavirus Disease 2019 (COVID-19 PPE) are treated as amounts paid for medical care under § 213(d) of the Internal Revenue Code (Code). Therefore, amounts paid by an individual taxpayer for COVID-19 PPE for use by the taxpayer, the taxpayer's spouse, or the taxpayer's dependent(s) that are not compensated for by insurance or otherwise are deductible under § 213(a) provided that the taxpayer's total medical expenses exceed 7.5 percent of adjusted gross income.

Because these amounts are expenses for medical care under § 213(d) of the Code, the amounts are also eligible to be paid or reimbursed under health flexible spending arrangements (health FSAs), Archer medical savings accounts (Archer MSAs), health reimbursement arrangements (HRAs), or health savings accounts (HSAs). However, if an amount is paid or reimbursed under a health FSA, Archer MSA, HRA, HSA or any other health plan, it is not deductible under § 213.

March 26, 2021

<https://www.irs.gov/pub/irs-drop/a-21-07.pdf>

PPP Loan Update

SBA PPP Closes May 31, 2021; Updated FAQ

Notice: PPP ends May 31, 2021

The Paycheck Protection Program ends on May 31, 2021. All eligible entities can apply through a participating lender until then.

As of April 6, 2021

These FAQs are in the process of being revised and do not yet reflect changes made by the American Rescue Plan Act of 2021 enacted on March 11, 2021.

PAYCHECK PROTECTION PROGRAM LOANS Frequently Asked Questions (FAQs)

Borrowers and lenders may rely on the guidance provided in this document as SBA's interpretation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (as amended), the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), and of the Paycheck Protection Program Interim Final Rules ("PPP Interim Final Rules")([link](#)). The U.S. government will not challenge lender PPP actions that conform to this guidance,¹ and to the PPP Interim Final Rules and any subsequent rulemaking in effect at the time the lender's action is taken.

April 6, 2021

SBA PPP April 11 Summary Report

Loan Breakdown for 2021 PPP

First Draw Loans	Loans Approved	Net Dollars	Average Loan Size	Lender Count
Total First Draw Loans	2,203,120	\$42,208,883,593	\$19,159	5,149
First Draw Loans with 10 or fewer employees	2,165,971	\$32,423,271,766	\$14,969	5,136
First Draw Loans LMI & Less than \$250k	696,309	\$11,626,780,278	\$16,698	4,548

Second Draw Loans	Loans Approved	Net Dollars	Average Loan Size	Lender Count
Total Second Draw Loans	2,209,081	\$190,588,589,050	\$86,275	5,215
Second Draw Loans with 10 or fewer employees	1,715,229	\$52,355,686,209	\$30,524	5,198
Second Draw Loans LMI & Less than \$250k	480,707	\$22,193,757,456	\$46,169	4,668

NAICS Sector Description	Loan Count	Net Dollars	% of Amount
Accommodation and Food Services	342,149	\$37,780,521,139	16%
Construction	390,100	\$29,516,046,365	13%
Professional, Scientific, and Technical Services	480,451	\$24,962,013,730	11%
Health Care and Social Assistance	349,392	\$24,475,841,482	11%
Manufacturing	157,067	\$20,376,349,508	9%

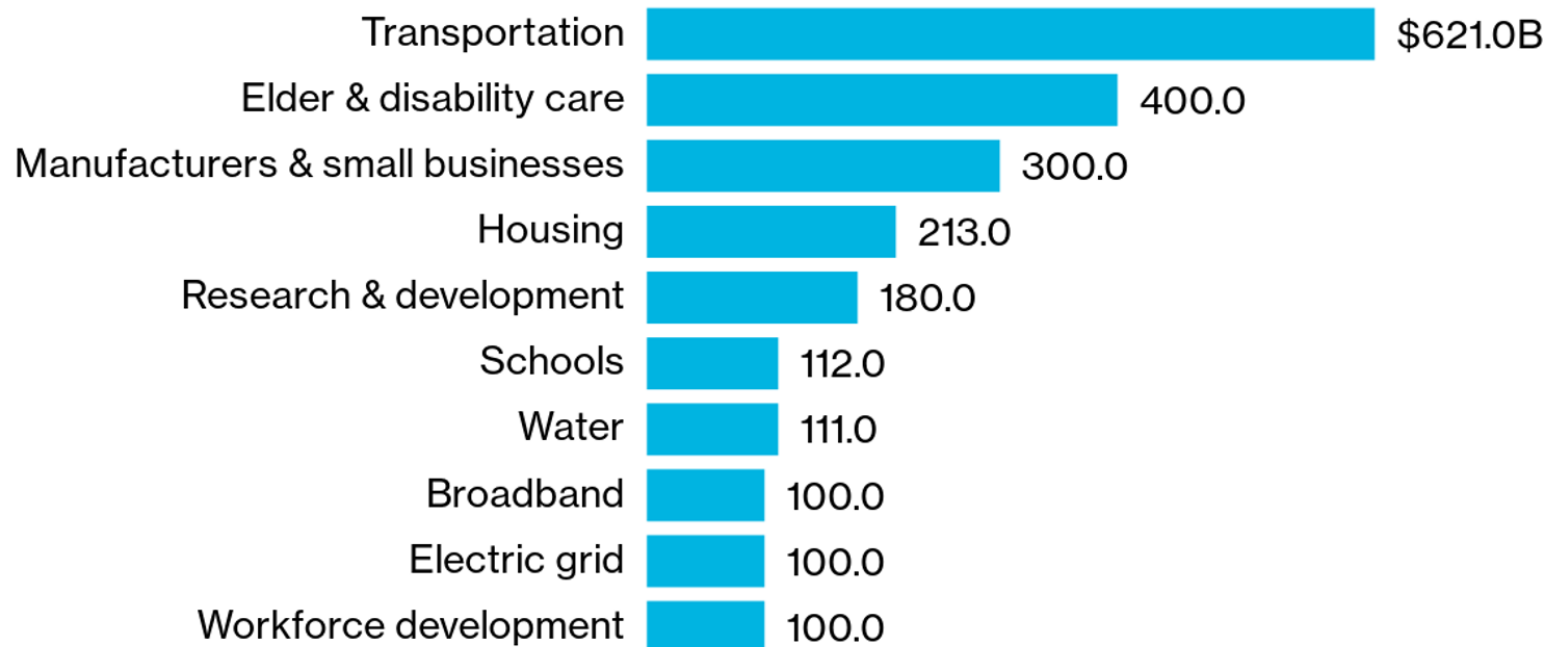
April 11, 2021

Infrastructure Legislation Status Update

President Proposes \$2.5 Trillion Infrastructure Plan

Funds Proposed for Transportation, Caregiving, Manufacturing

Biden's First Infrastructure Package Totals \$2.25 Trillion



Note: School funding includes money for public schools and community colleges.
Source: White House fact sheet

Bloomberg Government

President Proposes \$2.5 Trillion Infrastructure Plan

Proposal Calls for \$180 Billion in R&D Investment

- **Includes \$50 billion for the National Science Foundation to create a technology directorate focused on semiconductors, biotechnology, and advanced technologies**
 - Increased investment would be used to spur job growth and strengthen U.S. economic edge against China, which ranks second in global R&D expenditures
 - Proposal is similar to the “Endless Frontier Act” from Senate Majority Leader Chuck Schumer (D-N.Y.)
- **Other proposed R&D funding includes:**
 - \$40 billion for upgrades to research infrastructure in labs across the country
 - \$35 billion for clean energy technology, climate-focused research, and climate demonstration projects
 - \$30 billion in additional funding for R&D initiatives that would create jobs in rural areas

President Proposes \$2.5 Trillion Infrastructure Plan

- **Calls for \$31 billion for programs that would focus on access to credit, venture capital, and R&D funding for small businesses**
 - Includes funding for small business incubators and innovation hubs to support entrepreneurship in communities of color and underserved communities
- **Also calls for \$5 billion for job creation and growth in rural and tribal communities**
 - Would create Rural Partnership Program to support locally-led planning and capacity initiatives in rural and tribal communities
 - Plan would provide 100% broadband coverage, rebuild transportation infrastructure, and strengthen R&D at land grant universities
- **Plan would provide \$100 billion for workforce development programs, including:**
 - \$48 billion for workforce development infrastructure and worker protection, including registered apprenticeships for underserved populations
 - \$40 billion for a new program to provide services for workers involuntarily unemployed and for training in high-demand sectors such as clean energy, manufacturing, and caregiving
 - \$12 billion for job training for women, people of color, and formerly incarcerated individuals

President Proposes \$2.5 Trillion Infrastructure Plan

Corporate Tax Increases Would Raise \$2 Trillion Over 15 Years

- **Plan would be funded by several tax changes to corporate income, including:**
 - Increasing the corporate tax rate to 28%, from 21%
 - Imposing a 15% minimum tax on income reported to shareholders by large corporations
- **Offshore earnings, jobs also would be targeted**
 - Minimum tax on profits U.S. companies earn abroad would be increased to 21%, from about 13%; rates would be calculated on a country-by-country basis
 - Would encourage other countries to adopt “strong” minimum taxes and make corporate inversions more difficult
 - Also would eliminate deductions for expenses related to offshore jobs and tax incentives for foreign derived intangible income
- **Plan would ensure IRS has resources to enforce corporate tax laws**

Lobbying Against Tax Increases

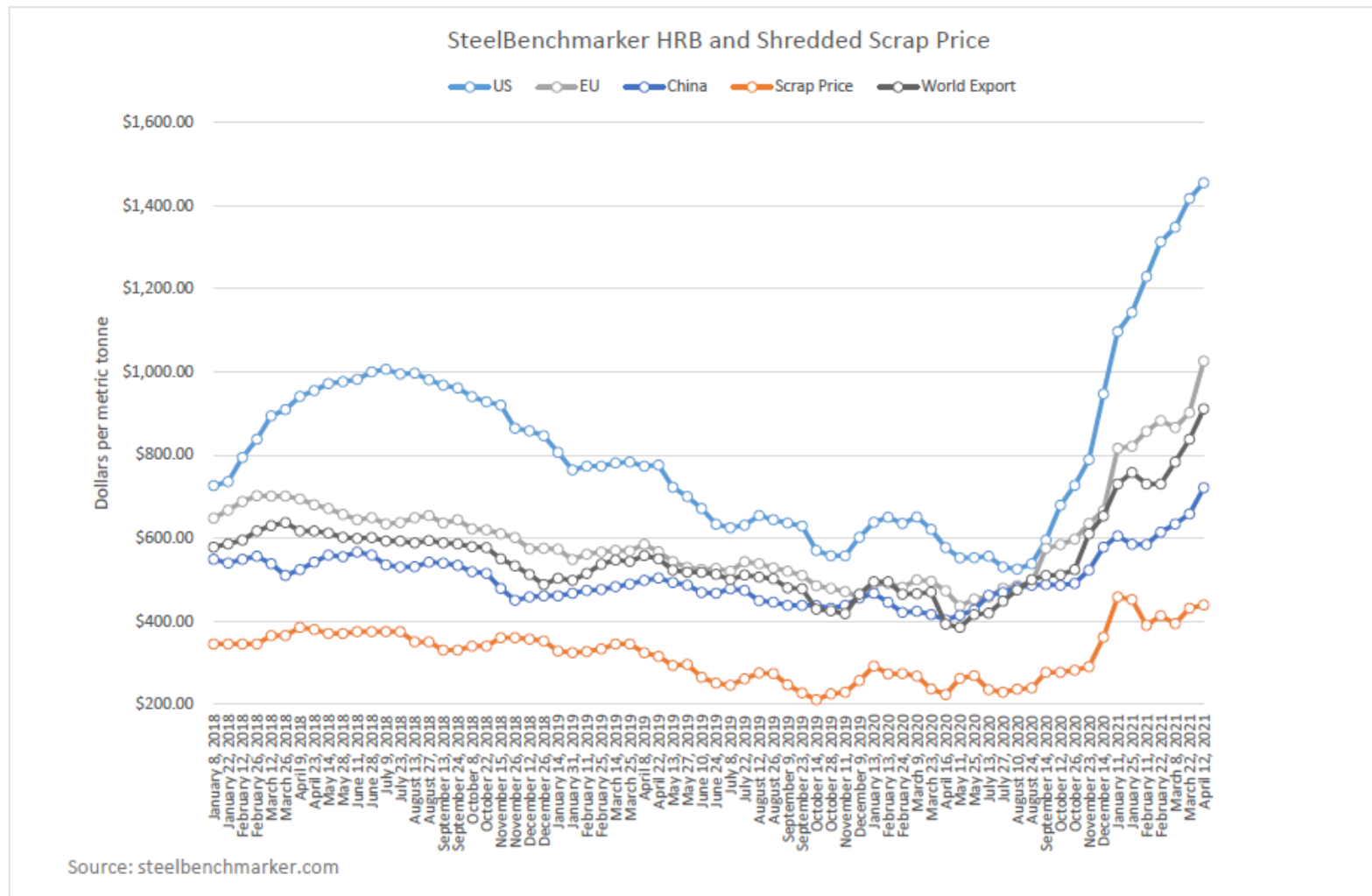
- Movement underway to increase C-Corporate tax rate to at least 25-28%
- Momentum building for a minimum corporate effective tax rate, especially for large corps
- Individual tax increase proposal likely revealed end of April
- Working against limitation, elimination of Section 199a for passthroughs
- Concerns over changes to who will qualify for business deductions
- Manufacturers expect to delay capital expenditures, hiring; lay off workers if taxes raised
- Biden wants capital gains as normal income for earners over \$1 million
- Estate tax stepped up basis reform a target for President Biden

Infrastructure Next Steps

- President Biden giving Joint Address to Congress April 28
- Biden's two-part plan: Jobs Bill & Family Bill
- Speaker Pelosi wants to pass a bill by July 4th
- Sept 2021: Federal debt ceiling reached; transportation authorization expires
- Senate Republicans putting together their own infrastructure proposal
- Majority Leader Schumer wants to move without GOP
- Not all of Biden's proposals can move under reconciliation measure Democrats will use
- Pelosi will want to move two bills – one that will pass; the other a priorities wish list

Advocacy in Washington on Steel Supply/Prices

U.S. versus Global Steel Prices January 8, 2018-April 12, 2021
(HRB Price)



Advocacy in Washington on Steel Supply/Prices

The logo for Cutting Tool Engineering, featuring the text "CUTTING TOOL ENGINEERING" in white, bold, sans-serif capital letters. A white arrow points to the right, positioned between the words "TOOL" and "ENGINEERING". A registered trademark symbol (®) is located at the bottom right of the word "ENGINEERING". The entire logo is set against a solid orange rectangular background.

Coalition asks Commerce Secretary to terminate job-costing tariffs

The logo for Fastmarkets, consisting of a stylized purple icon on the left and the word "Fastmarkets" in a bold, black, sans-serif font on the right. The icon is composed of three horizontal bars of varying lengths, with the top bar being the longest and the bottom bar being the shortest.

Raimondo mistaken about success of Section 232, metal manufacturers group says

The logo for MarketWatch, featuring the word "Market" in white, italicized, sans-serif font and the word "Watch" in a bold, green, sans-serif font. The two words are joined together. The logo is set against a solid black rectangular background.

Loss of steel-industry jobs

Of Trump's steel tariffs, new Commerce Secretary Gina Raimondo says "the data show that those tariffs have been effective." That's news to the Coalition of American Metal Manufacturers and Users, which represents 30,000 companies, which has told the Biden administration that there is "scant evidence that the Trump steel and aluminum tariffs have helped the domestic steel industry, as the sector continues to close plants and shed jobs."

Media

Michel Conklin
Executive Director, BotsIQ
412-258-6676
conklin@botsiqpa.com

For Immediate Release

April 13, 2021

BOTSIQ RECEIVES \$498K PASMART GRANT TO EXPAND YOUTH PROGRAM

Manufacturing and STEM industries are seeking a diverse group of skilled workers to fill current and future positions. That's where BotsIQ comes in--providing programming that educates and encourages students to consider manufacturing, and other STEM occupations, as viable career options.

For nearly 16 years, the Pittsburgh Chapter National Tooling & Machining Foundation has introduced manufacturing careers to high school students across southwestern Pennsylvania through its signature youth program, Southwestern Pennsylvania BotsIQ (BotsIQ). Armed with knowledge and experience, BotsIQ will now introduce manufacturing to students sooner than high school.

Donate to NTMA, PMA to Support Advocacy in DC

NTMA's Government Affairs Administrative Fund (GAAF) allows the association to undertake initiatives aimed at educating elected officials on tooling and machining and the industry's priority issues. It also permits us to support a variety of activities to inform and mobilize our members, as well as to protect and promote the industry with key lawmakers. You can use corporate OR personal funds to donate to the GAAF.

Donate Today!

<https://ntma.org/programs/advocacy/>

PMA ADVOCACY FUND

PMA's Advocacy Fund supports the association's day-to-day lobbying and public relations efforts in Washington, D.C., increasing the industry's visibility in Congress, the Administration and the public. You can use corporate OR personal funds to donate to the advocacy fund.

Donate Today!

<https://www.pma.org/advocacy/donate-today.asp>

Questions?

The Franklin Partnership, LLC

Omar S. Nashashibi

Omar@franklinpartnership.com

John Guzik

jguzik@franklinpartnership.com

Policy Resolution Group

Caitlin Sickles

Caitlin.sickles@bracewell.com

Paul Nathanson

Paul.nathanson@bracewell.com

<https://www.pma.org/advocacy/donate-today.asp>

<https://ntma.org/programs/advocacy/>

