

Washington, D.C. Update: Covid-19 and Public Policy Developments

Presented by
The Franklin Partnership, LLC
Policy Resolution Group at Bracewell
September 24, 2021



Your Team in Washington, D.C.



Lobbying Firm – The Franklin Partnership, LLC

- Bi-partisan Washington, D.C.-based government relations firm
- Representing manufacturing industry since 2002
- Clients include: manufacturing associations, defense contractors, hospitals, cities



Strategic Communications Firm – Policy Resolution Group at Bracewell

- Wash, D.C.-based public affairs & strategic communications consultants
- Promote NTMA and PMA in print, digital and other media
- Support Franklin Partnership government relations efforts by designing and implementing coordinated strategic communications strategy
- Representing metalworking industry since 2003

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

Stay Connected – One Voice Podcast



Contents

- COVID Loans Update
- COVID Update
- Infrastructure and Taxes
- Supply Chains and Tariffs

All information presented as of September 23, 2021

COVID-19 Loans Update

SBA Paycheck Protection Program Loans Update

- PPP Loan program closed May 31, 2021
- Unlikely to see another PPP round
- Economic Injury Disaster Loan (EIDL) still open (not forgiven)
- You should have submitted your PPP loan forgiveness application by now
- SBA direct loan forgiveness portal open for loans under \$150,000 if bank is participating
- SBA will no longer require borrowers of \$2m or more to file necessity questionnaire (3509)
- Employee Retention Tax Credit still available, for now...
- Lawmakers want to eliminate the Employee Retention Tax Credit for 4th Quarter 2021

PPP Direct Forgiveness Portal: <\$150,000

Welcome to the **SBA PPP Direct Forgiveness Portal**



Register and Apply for PPP Forgiveness

This portal is made available by the US Small Business Administration to streamline forgiveness processing for PPP Borrowers. After registration, you may use this streamlined process to automatically submit your forgiveness request to your lender.

The SBA also offers live customer service to borrowers at [877-552-2692](tel:877-552-2692).

[Register to Start Your Request](#)

August 2021

<https://directforgiveness.sba.gov/requests/borrower/login/?next=/https://sba-forgiveness-docs.s3-us-gov-west-1.amazonaws.com/SBA-PPP-DF-User-Guide.pdf>

SBA to Begin Approving EIDL Loans Over \$500k Oct 8

Product	Loan directly from SBA that must be repaid; low-interest, fixed-rate, long-term loan to help overcome the effects of the pandemic by providing working capital to meet operating expenses
Uses of Proceeds	Working capital to make regular payments for operating expenses, including payroll, rent/mortgage, utilities, and other ordinary business expenses, and to pay business debt incurred at any time (past, present, or future)
Maximum Loan Amount	<u>\$2 million. Note: SBA will begin approving loans greater than \$500,000 on October 8, 2021.</u>
Loan Term	30 years
Interest Rate	Businesses: 3.75% fixed Private nonprofit organizations: 2.75% fixed
Payment Deferment	Payments are deferred for the first 2 years (during which interest will accrue), and payments of principal and interest are made over the remaining 28 years. No penalty for prepayment.

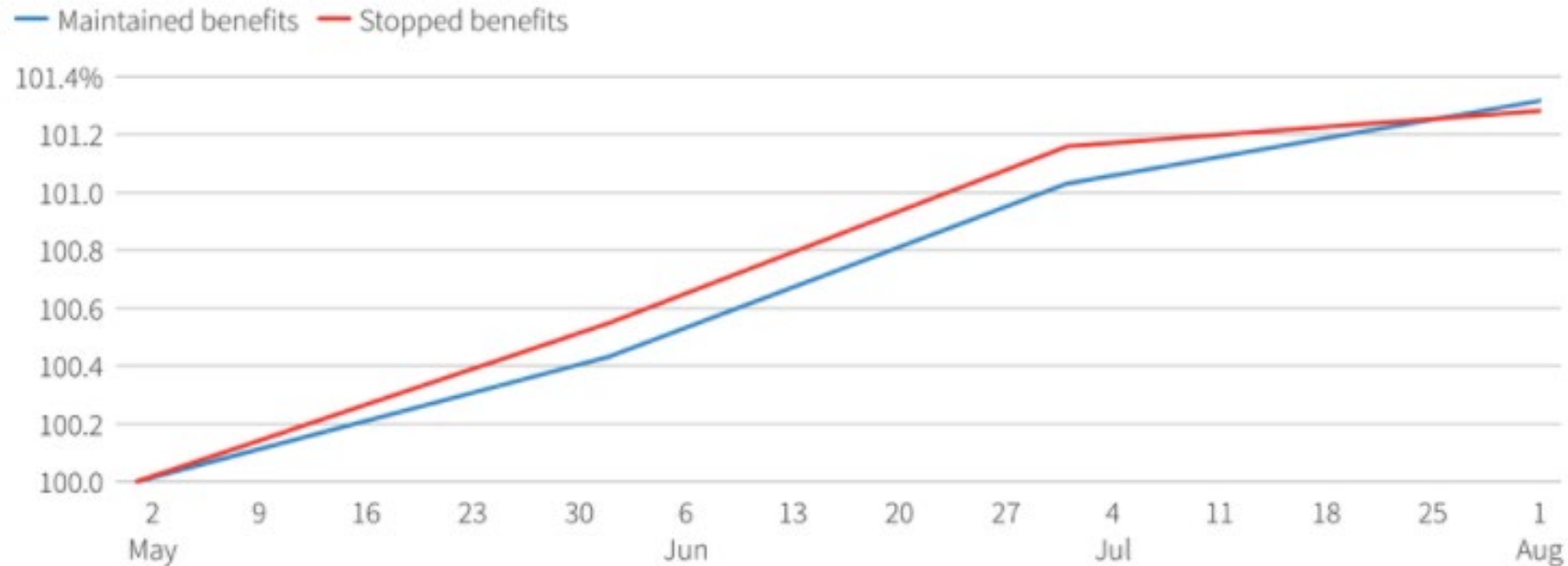
<https://www.sba.gov/funding-programs/loans/covid-19-relief-options/eidl/covid-19-eidl>

COVID-19 Update

Federal Unemployment Subsidies Ended Sept. 5

Job growth and unemployment insurance

A group of states began ending extra unemployment payments in June. Since May there's been no appreciable difference in job growth with other states, and hiring slowed in August as the coronavirus surged.



Note:

Source: Bureau of Labor Statistics

Reuters Graphics

OSHA Employee Vaccine Mandate



Requiring All Employers with 100+ Employees to Ensure their Workers are Vaccinated or Tested Weekly



The Department of Labor's Occupational Safety and Health Administration (OSHA) is developing a rule that will require all employers with 100 or more employees to ensure their workforce is fully vaccinated or require any workers who remain unvaccinated to produce a negative test result on at least a weekly basis before coming to work. OSHA will issue an Emergency Temporary Standard (ETS) to implement this requirement. This requirement will impact over 80 million workers in private sector businesses with 100+ employees.

September 9, 2021

Federal Vaccine Mandate Includes Subcontractors



Sec. 2. Providing for Adequate COVID-19 Safety Protocols for Federal Contractors and Subcontractors. (a)

Executive departments and agencies, including independent establishments subject to the Federal Property and Administrative Services Act, 40 U.S.C. 102(4) (A) (agencies), shall, to the extent permitted by law, ensure that contracts and contract-like instruments (as described in section 5(a) of this order) include a clause that the contractor and any subcontractors (at any tier) shall incorporate into lower-tier subcontracts. This clause shall specify that the contractor or subcontractor shall, for the duration of the contract, comply with all guidance for contractor or subcontractor workplace locations published by the Safer Federal Workforce Task Force

September 9, 2021

OSHA Employee Vaccine Mandate

BRACEWELL

Specifically, under Section 6(c) of the OSH Act, the Secretary of Labor may issue an ETS only if it is determined:

- (A) that employees are exposed to **grave danger** from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and
- (B) that such emergency standard is **necessary** to protect employees from such danger.

September 13, 2021

OSHA Employee Vaccine Mandate

BRACEWELL

Key Unanswered Questions about the Vaccination/Testing Requirement

1. Does the employer have to pay for the testing?
2. Does the employer have to pay employees for the time it takes to get tested?
3. What types of tests may an employer accept from an unvaccinated employee?
4. What kind of proof must an employer obtain from an employee of vaccination or testing results?
5. Will employees working from home or at an isolated location be exempted from the ETS?
6. Will any other safety mechanisms, such as masking requirements, be imposed?
7. How will OSHA monitor employer compliance with the ETS, and what penalty mechanisms will be applied?
8. Will specific guidance regarding the application of medical and religious exemptions be included in the ETS?

September 13, 2021

OSHA Vaccine Mandate – Timing, Next Steps

- OSHA on September 9 indicated Emergency Temporary Standard coming “in weeks”
- 22 States who operate under an OSHA State Plan have up to thirty days to issue own rules
- State plans must be at least as stringent as a federal rule
- OSHA said ETS will include employees who work remotely that still interact with public
- Credible court challenges planned from employers and employees
- Most legal challenges likely routed to a single District Court
- Lawsuit from employees could question the 100-worker standard, expand ETS to under 100
- Recommendations from labor consultants, lawyers:
 - Have a written COVID-19 plan regardless of the ETS, OSHA inspector will ask for it
 - Assess how many employees are not vaccinated (most companies already know)

CDC Mask Guidance Updated

Updates as of September 23, 2021

- Added section on considerations for children

Updates as of September 10, 2021

- Made minor updates to the sections on Cloth Masks and Disposable Masks
- Updated the section on Masks that Meet a Standard
- Added section about Respirators that Meet International Standards (e.g., KN95s)
- Added considerations for use of NIOSH-approved respirators because the availability of NIOSH-approved N95 respirators has increased significantly over the last several months
- Added section on Alternative Masks for Special Situations
- Updated section on Choosing a Mask or Respirator for Different Situations

BE AWARE: About 60% KN95 respirators in the United States are counterfeit (fake) and DO NOT meet NIOSH requirements.

<https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/types-of-masks.html>

IRS: Home COVID Tests are Eligible Medical Expense

IRS: Cost of home testing for COVID-19 is eligible medical expense; reimbursable under FSAs, HSAs

IR-2021-181, September 10, 2021

WASHINGTON — The Internal Revenue Service reminds taxpayers today that the cost of home testing for COVID-19 is an eligible medical expense that can be paid or reimbursed under health flexible spending arrangements (health FSAs), health savings accounts (HSAs), health reimbursement arrangements (HRAs), or Archer medical savings accounts (Archer MSAs). That is because the cost to diagnose COVID-19 is an eligible medical expense for tax purposes.

The IRS also reminds taxpayers that the costs of personal protective equipment, such as masks, hand sanitizer and sanitizing wipes, for the primary purpose of preventing the spread of COVID-19 are eligible medical expenses that can be paid or reimbursed under health FSAs, HSAs, HRAs, or Archer MSAs. Additional [information](#) is available on IRS.gov.

For more [information](#) regarding details and requirements on deductibility of medical expenses, taxpayers can review [Can I Deduct My Medical and Dental Expenses?](#) and [Publication 502, Medical and Dental Expenses](#).

<https://www.irs.gov/newsroom/irs-cost-of-home-testing-for-covid-19-is-eligible-medical-expense-reimbursable-under-fsas-hsas>

Workplace Safety and Compliance

OSHA Indoor Heat Rule Expected in October 2021

- To emphasize its concern and take necessary action, OSHA is implementing an enforcement initiative developing a National Emphasis Program on heat inspections
- Forming a National Advisory Committee on Occupational Safety and Health Heat Injury and Illness Prevention Work Group to share best practices to protect workers.
- Initiative prioritizes heat-related interventions and inspections of work activities on days when heat index exceeds 80 degrees Fahrenheit
- OSHA Area Directors across the nation will institute the following:
 - Prioritize inspections of heat-related complaints, referrals and employer-reported illnesses and initiate an onsite investigation where possible.
 - Instruct compliance officers to conduct an intervention (providing the agency's heat poster/wallet card, discuss the importance of easy access to cool water, cooling areas and acclimatization) or opening an inspection when they observe employees performing strenuous work in hot conditions.
 - Expand the scope of other inspections to address heat-related hazards where worksite conditions or other evidence indicates these hazards may be present.

OSHA RFI for Mechanical Press Issued

Occupational Safety and Health Administration (OSHA), DOL.

ACTION:

Request for information (RFI).

SUMMARY:

OSHA requests information and comment on issues related to the mechanical power presses standard. The standard was issued in 1971 based upon the 1971 American National Standards Institute (ANSI) industry consensus standard for mechanical power presses. This ANSI standard has been updated a number of times since 1971. OSHA is seeking information regarding whether it should update the mechanical power presses standard and, if so, how closely the standard should follow the current ANSI standard for mechanical power presses. It is also seeking information on the types of presses that should be covered, the use and certification of equipment, and other topics such as presence-sensing device initiation (PSDI) systems, and requirements for press modifications, training, and injury reporting. OSHA will use the information received in response to this RFI to determine what action, if any, it may take to reduce regulatory burdens while maintaining worker safety.

DATES:

Submit comments on or before October 26, 2021. All submissions must bear a postmark or provide other evidence of the submission date.

Publication Date:

07/28/2021

Agencies:

Occupational Safety and Health Administration

Dates:

Submit comments on or before October 26, 2021. All submissions must bear a postmark or provide other evidence of the submission date.

Comments Close:

10/26/2021

Document Type:

Notice

Document Citation:

86 FR 40651

Page:

40651-40659 (9 pages)

Agency/Docket Number:

Docket No. OSHA-2007-0003

RIN:

1218-AC98

Document Number:

2021-15995

<https://www.federalregister.gov/documents/2021/07/28/2021-15995/mechanical-power-presses-update>

Infrastructure and Taxes

Democrats' No Good, Very Bad (Upcoming) Week(s)

- September 27 – Pelosi expected to miss deadline for vote on Infrastructure bill
- September 30 – Progressives miss goal of reconciliation passing by end of September
- September 30 – Current surface transportation authorization law expires
- September 30 – Federal Government runs out of money – 0 of 12 spending bills passed
- October 1 – Federal Government's Debt Ceiling Expires
- October 25 – United States will default on its loans
- November 25 – Thanksgiving
- December 25 – Christmas
- January 1, 2021 – Expected tax increases take effect

Infrastructure, Taxes Status Update

- Senate passed \$1.2 trillion infrastructure bill – roads, bridges, ports, broadband, etc.
- Speaker Pelosi promised House moderates vote on infrastructure: possibly Sept. 28-30
- As of now, lacks the votes to pass, Progressives are not supportive
- Moderates not supportive of \$3.5 trillion reconciliation bill
- Democrats need to resolve their differences likely by Sept. 30 to move forward
- If have a final bill, likely lower than \$3.5 trillion, final votes may not happen until Nov-Dec
- If bill passes in November, December, not much time to plan for January 1 changes
- Hearing Democrats may use a separate reconciliation process to suspend the debt ceiling

Proposed Tax Increases in House Democrats' Bill

- Limiting the Small Business Deduction (section 199A)
- Raising the top individual rate from 37% to 39.6%
- Raising the top corporate tax rate from 21% to 26.5%
- Increasing the effective top capital gains rate from 23.8% to 28.8%
- Does not eliminate step-up basis
- Reducing the estate tax exemption in 2022 (rather than 2026)

Pelosi, Schumer say have identified which tax provisions are on the menu as payfors
Moderate Democrats do not want to tackle “tax reform”, concerned with increases

Want to Pay More Taxes Next Year? Do Nothing...

Tell Congress NO to Harmful Tax Increases

Enter Your Info

Your Information

Prefix *	First Name *	Last Name *
Email *		

Home Information

Street Address *	
ZIP Code *	Enter Zip for City and State

- ☒ Send me email alerts
- ☒ Remember me

Review Your Message

- Send a Letter to Congress
- They need to hear from you
- Silence is complacency
- One Voice Members: 2,000
- Members responding to 9/8 alert: 16
- Do 1,884 members support more taxes?
- Act NOW!!!

<https://www.metalworkingadvocate.org/take-action>

Supply Chain Challenges

Tariff Talk: Update on 232s, 301 Actions

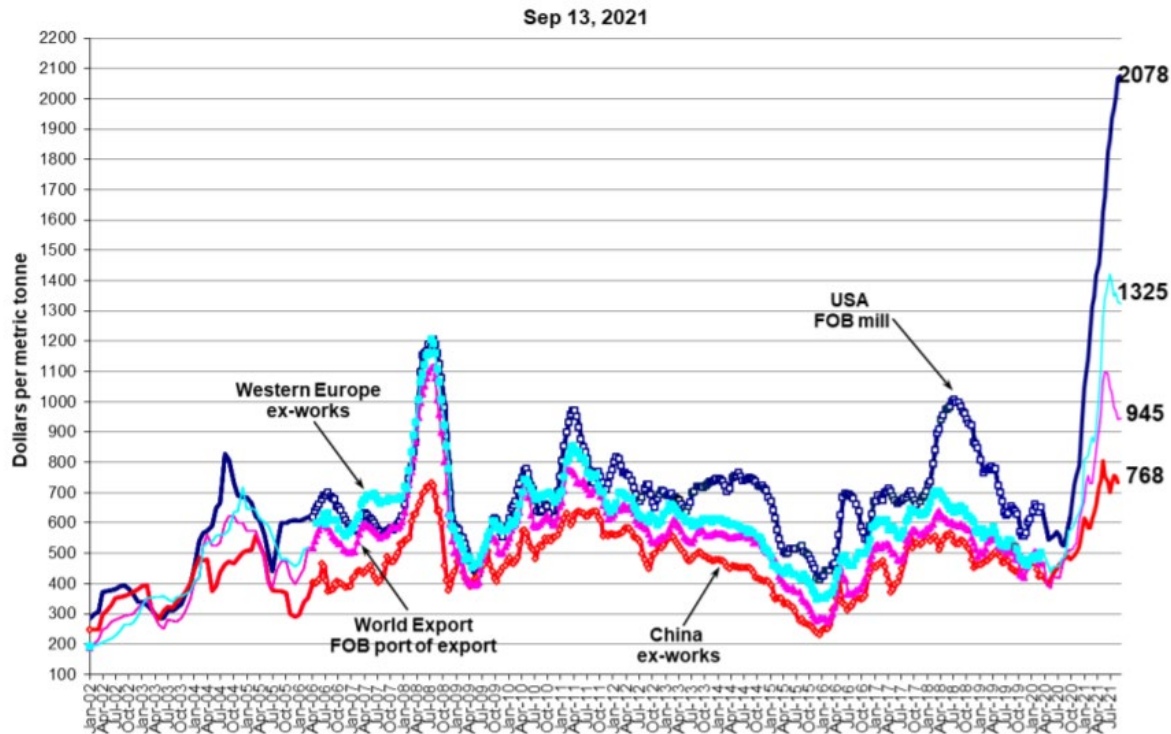
- Pressure campaign more intense on USTR to reopen a China exclusion process
 - Administration says that exclusion process is part of its overall China policy review
 - Do not expect Biden to lift tariffs on China ahead of Nov. 2022 elections
-
- U.S. in discussions with European Union on 232 “solution” by November 1st
 - Solution does not mean lifting of tariffs, we expect some restrictions on imports
 - Tariff Rate Quota under discussion – tariff rate rises once imports hit a certain level
 - Groups lobbying to lift tariffs, raise concern over TRQs, addressing Japan, South Korea
 - If infrastructure bill passes, will create further strain on U.S. steel, aluminum supply...

Advocacy in Washington on Steel Supply/Prices

SteelBenchmarker™ HRB Price

USA, China, Western Europe and World Export

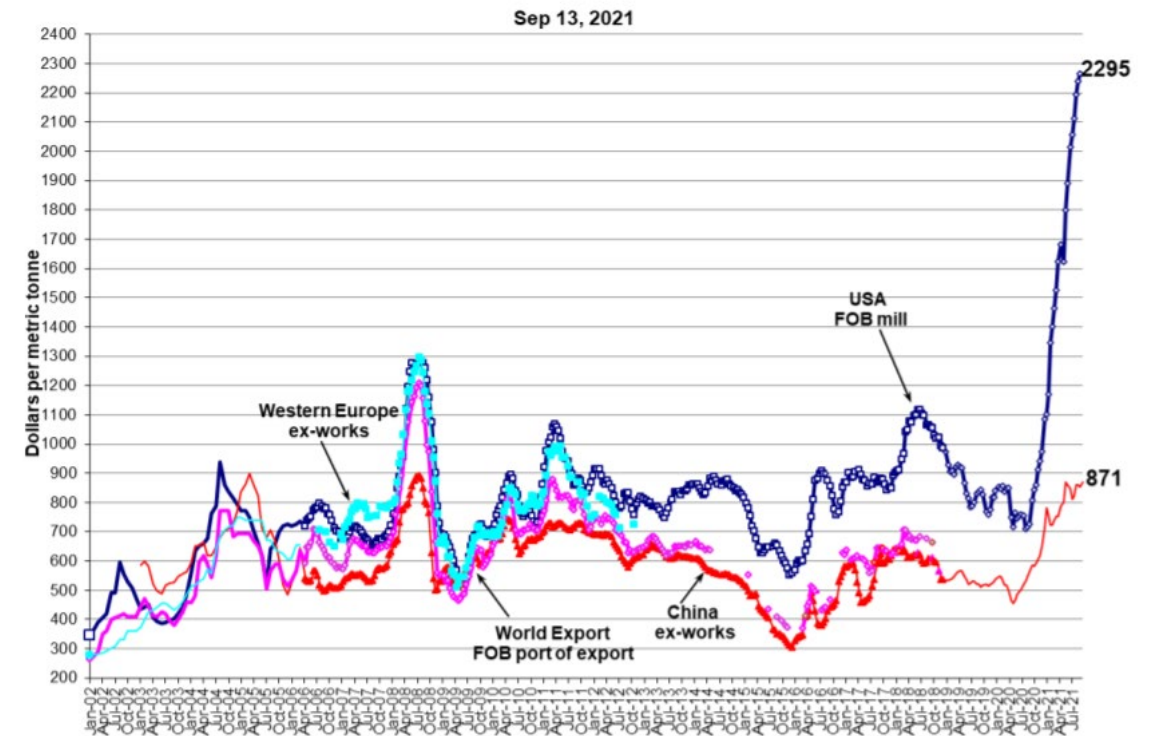
(WSD's PriceTrack data, Jan. 2002 - March 2006; SteelBenchmarker data begins April 2006)



SteelBenchmarker™ CRC Price

USA, China, Western Europe and World Export

(WSD's PriceTrack data, Jan. 2002 - March 2006; SteelBenchmarker data begins April 2006)

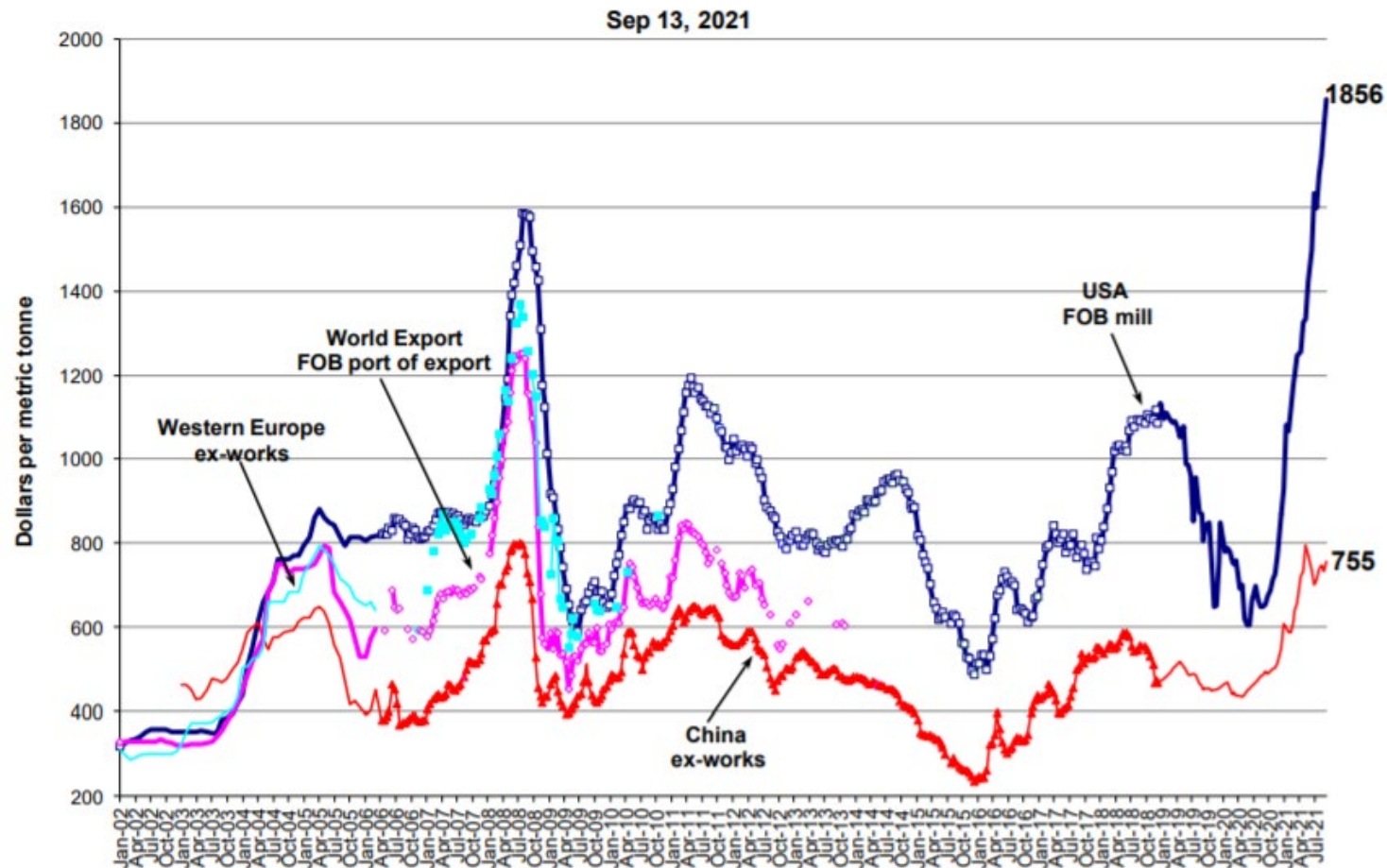


Advocacy in Washington on Supply/Prices

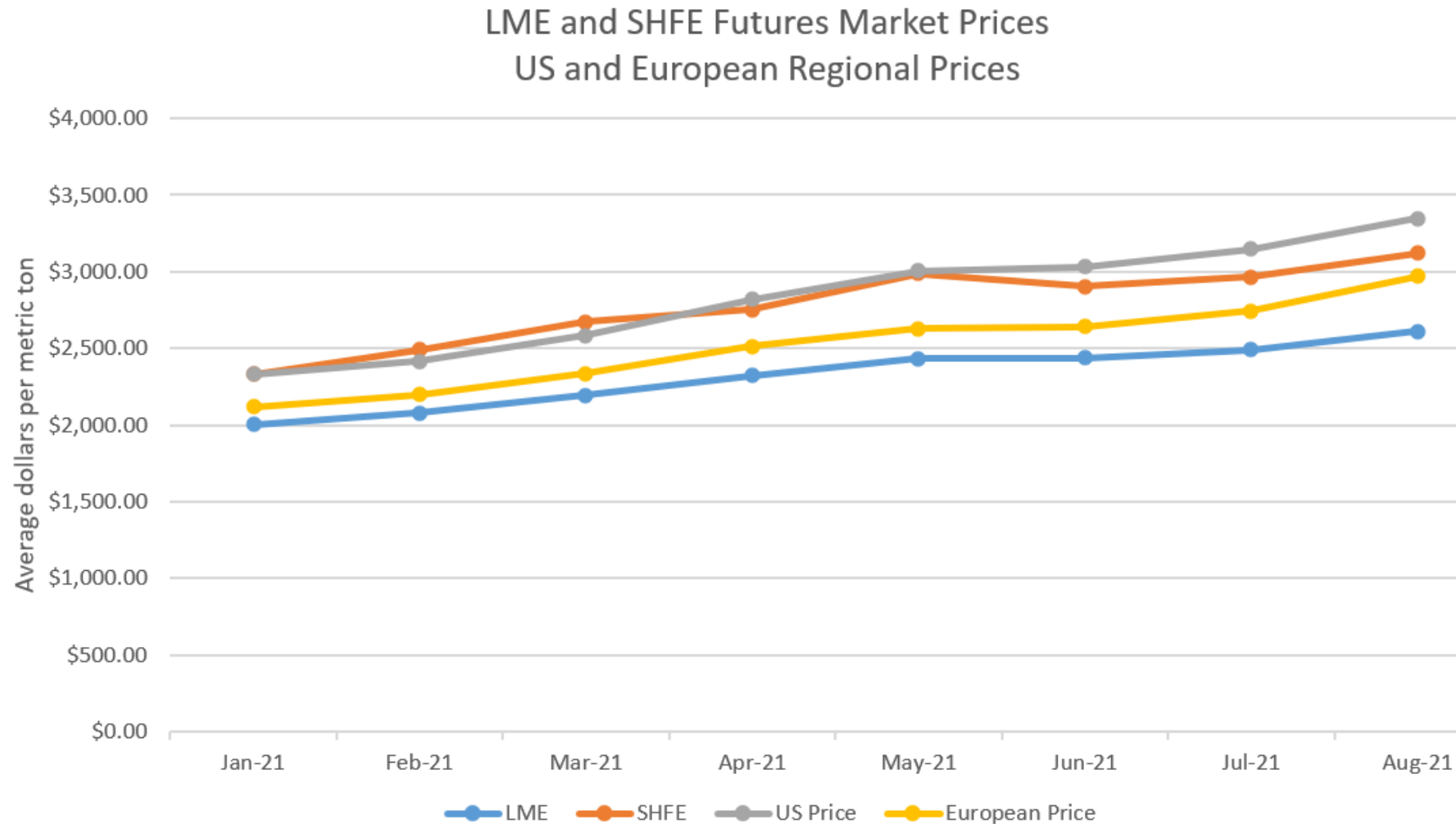
SteelBenchmarker™ Plate Price

USA, China, Western Europe and World Export

(WSD's PriceTrack data, Jan. 2002 - March 2006; SteelBenchmarker data begins April 2006)



Advocacy in Washington on Aluminum Supply/Prices



Challenges with Domestic Stainless Steel Supply

What are the reasons that you are being given on why domestic stainless is not available?

- Long delays at the mills. We've gone from 6–8-week lead times to 4-6 months
- Lack of available mill stock. Allocations from the mills.
- Covid-19 and lack of labor
- Lack of capacity at domestic stainless mills.
- Covid and a strike at Allegheny Technologies
- Allegheny getting out of the commodity business, AK only supplying 409. NAS backed up to high heaven. Everybody on the usage side super busy.
- Allocation, no trucks, not enough capacity
- None available, mills are not taking RFQs.
- Because our suppliers have been put on allocation by their mills
- Mill lead times. Nickel shortage. Argon gas shortage.
- Alleghany mill shutdown, NAS allocations
- ATI no longer in the supply business
- We normally buy from distributors. They are on allocation. They are also not willing to buy material at today's high prices and risk the price falling
- Demand is up and mill output is down. One of the three major mills shut down.
- Higher demand in marketplace than what mills are producing.
- Capacity issues at domestic producing mills have us on allocation. In 2022, we will be restricted to 60% of our 2021 buying. ATI has exited the commodity stainless steel market, supplying only high nickel alloys and minimal specialty stainless
- Mill capacity has been secured by large buyers (OEMs in every industry) and the remaining capacity is being fought over by small buyers like us.

The Atlanta Journal-Constitution

Hiring in metro Atlanta slowed in August as pandemic dragged on

September 24, 2021

[Evans Tool & Die](#) in Conyers has been hiring, too, mainly engineers and press operators, said **Deanne Barnes**, chief executive of the 72-year-old, family-owned company. The 65-worker factory, which stamps metal parts used in a range of mechanisms from medical devices to golf carts, has seen a surge in orders during the pandemic as U.S. companies look for sources closer to home.

Manufacturing Day



- Manufacturing Day is Friday, October 1
- Inform NTMA/PMA and/or Bracewell about your plans
- Bracewell can support you/advise you on PR/Social Media
- Great opportunity to promote your company, NTMA & PMA and the industry

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/>

