

Washington, D.C. Update: Public Policy and COVID Developments

Prepared by
The Franklin Partnership, LLC
Policy Resolution Group at Bracewell
February 25, 2022



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.

Contents

- Federal Agency Update
- Supply Chains and the Biden Administration
- Supply Chains and Legislation on Capitol Hill
- Tariffs and Trade Update

All information presented as of February 24, 2022

Media Update: Manufacturers Responding



Apprenticeship competition highlights importance of manufacturing in Southwestern Pa.

TRIB LIVE MADDIE AIKEN | Friday, Feb. 18, 2022 6:00 p.m.



THE WALL STREET JOURNAL.

Steel Market Cools as Supplies Expand

Lower prices offer manufacturers relief; Nucor, U.S. Steel pursue new mills

Latrobe Bulletin

Eight area metalworkers to compete Friday in annual contest

Feb 16, 2022 0

Federal Agency Actions

CDC Recommends Booster for J&J Recipients

Johnson & Johnson's Janssen COVID-19 Vaccine Overview and Safety

Updated Feb. 22, 2022

Languages ▼

Print

People who received one dose of J&J/Janssen who want an [additional dose](#) or a [booster](#) are encouraged to get a Pfizer-BioNTech vaccine.

General Information

Name: JNJ-78436735

Manufacturer: Janssen Pharmaceuticals Companies of Johnson & Johnson

Type of Vaccine: [Viral Vector](#)

Number of Shots: [1 shot may be given in some situations.](#)

Booster Shot: [Everyone ages 18 years and older should get a booster dose of either Pfizer-BioNTech or Moderna \(mRNA COVID-19 vaccines\)](#) at least 2 months after receiving the Johnson & Johnson's Janssen (J&J/Janssen) vaccine in most situations.

<https://www.cdc.gov/coronavirus/2019-ncov/vaccines/different-vaccines/janssen.html>

Labor Department Hiring 100 Investigators

News Release

US DEPARTMENT OF LABOR ANNOUNCES PLANS TO HIRE 100 INVESTIGATORS TO SUPPORT ITS WAGE AND HOUR DIVISION'S COMPLIANCE EFFORTS

Division seeks to build out enforcement team nationwide

WASHINGTON – The U.S. Department of Labor today announced that its Wage and Hour Division is seeking to add 100 investigators to its team to support its enforcement efforts including the protection of workers' wages, migrant and seasonal workers, rights to family and medical leave and prevailing wage requirements for workers on federal contracts.

In fiscal year 2021, the Wage and Hour Division collected \$230 million in wages owed to 190,000 workers. Division representatives also conducted 4,700 outreach events to educate employers and workers alike about their workplace rights and responsibilities.

<https://www.dol.gov/newsroom/releases/whd/whd20220201-2>

New Overtime Threshold Increase Expected

The Honorable Marty Walsh
Secretary of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: Request for Stakeholder Meetings Prior to Development and Release of Proposed New Overtime Regulations under the Fair Labor Standards Act

The 110 undersigned organizations, which represent a wide range of employers from private industry, states, municipalities, universities, colleges, k-12 schools and non-profits, write to request the U.S. Department of Labor (“DOL”) hold stakeholder meetings prior to the development and issuance of its anticipated Notice of Proposed Rulemaking (“NPRM”) on the “exemption of bona fide executive, administrative, and professional employees from the Fair Labor Standards Act’s minimum wage and overtime requirements” (also known as the “white-collar” exemptions). In the Fall 2021 Regulatory Agenda, DOL’s Wage and Hour Division announced its plans to issue an NPRM modifying the white-collar overtime exemptions in April 2022. This will be a significant rulemaking with respect to cost, difficulty in implementation and impact on the workforce, particularly given the current acute labor shortages. Our organizations urge DOL to follow past precedents and hold meetings with the regulated community to obtain input on the potential impact of any changes to the overtime exemption requirements.

- New Overtime rule expected in April
- Currently \$35,568
- Proposal likely to raise to at least \$50k
- Some want over \$80k threshold
- Also looking at Highly Compensated Employees

<https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202110&RIN=1235-AA39>

Form 300A Filing Due Electronically March 2

ANNOUNCEMENTS

March 2, 2022, is the deadline for electronically reporting your OSHA Form 300A data for calendar year 2021. Collection began January 2, 2022.

Does OSHA notify employers that they need to report their Form 300A data? And if not, where do I get my Username and Password to login and provide my data?

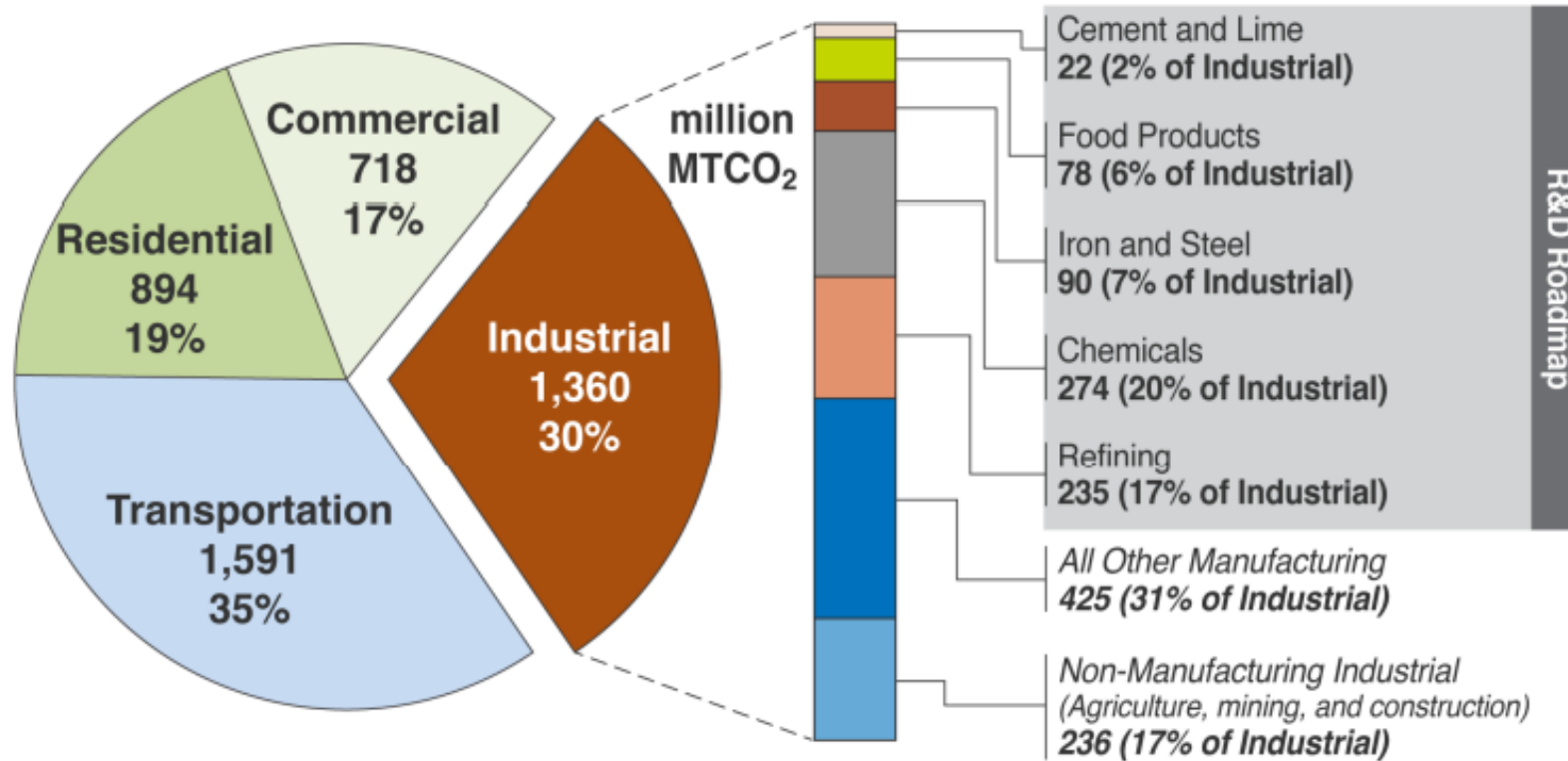
OSHA does not send out notifications to report the Form 300A data. If your establishment meets the industry and size reporting criteria, you must create an account in the Injury Tracking Application (ITA). During the account creation process, you will create your own username and password. Once you create your account, you can login and report your Form 300A data on an annual basis. Each year the data is due by March 2nd. To create an ITA account, go to <https://www.osha.gov/injuryreporting/ita/> and click the *Create an account* link that is right below the Injury Tracking Application banner. Follow the instructions from there.

<https://www.osha.gov/injuryreporting>

Decarbonization of Industry Initiative

U.S. DEPARTMENT OF
ENERGY

Office of ENERGY EFFICIENCY
& RENEWABLE ENERGY



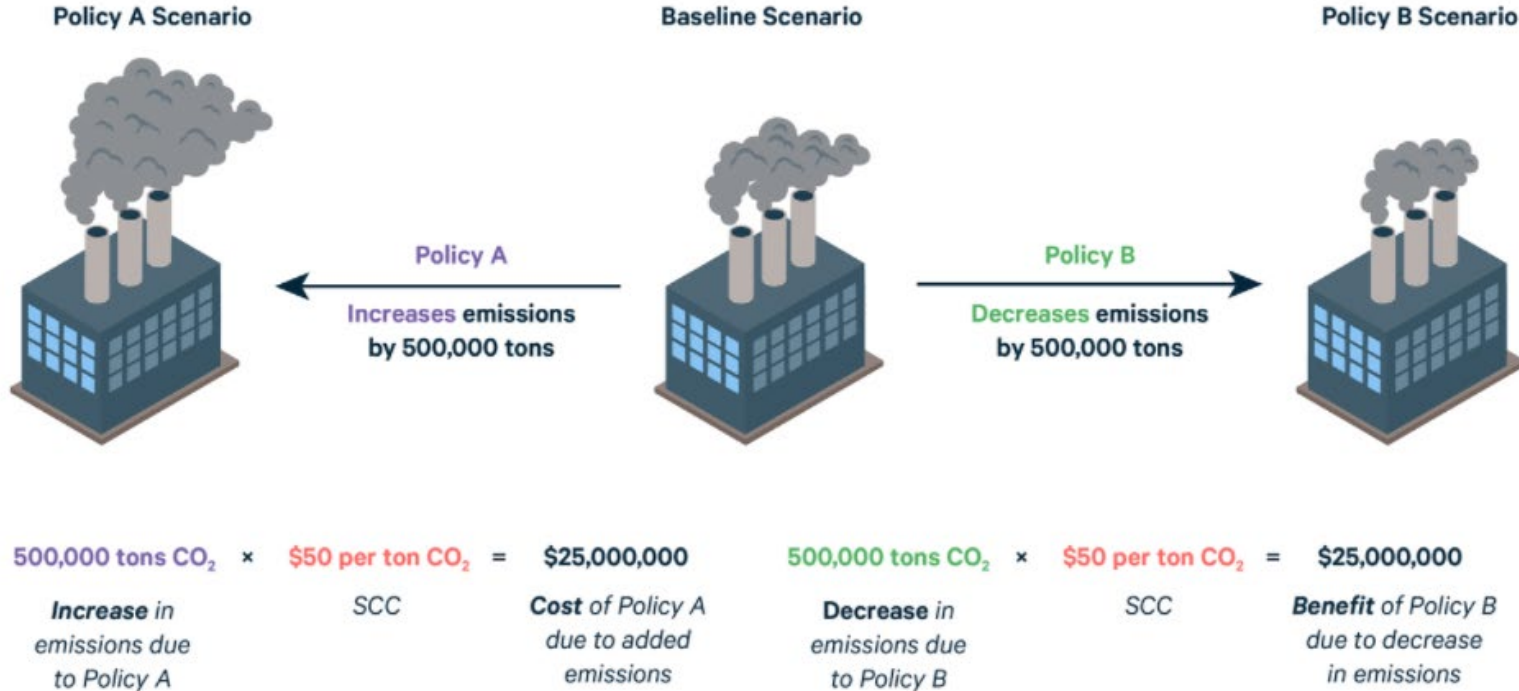
- Industry uses 1/3 of nation's energy
- Industry emits 30% of greenhouse gasses
- Biden agreement with EU on Steel
- Energy Department Comment Request
- Exploring feasible technologies

Court Blocks Increase in Social Cost of Carbon (SCC)

Using the SCC to Calculate Costs and Benefits of Changing Emissions

In this example, the social cost of carbon has been calculated to be **\$50 per ton of CO₂**.

▲ RFF



- Dollar cost of emitting one ton of CO₂
- Used to justify issuing regulations
- Court forced W. Bush EPA to create SCC
- SCC now at \$51/ton
- Biden wants increase
- 10 states filed lawsuit to block action

Supply Chains and the Biden Administration

Biden Administration Manufacturing, Supply Chain Plan

The Biden-Harris Plan to Revitalize American Manufacturing and Secure Critical Supply Chains in 2022

FEBRUARY 24, 2022 • STATEMENTS AND RELEASES

Links to agency reports:

- [Department of Defense](#)
- [Department of Homeland Security](#)
- [Department of Commerce](#)
- [Department of Energy](#)
- [Department of Agriculture](#)
- [Department of Transportation](#)
- Department of Health and Human Services

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/24/the-biden-harris-plan-to-revitalize-american-manufacturing-and-secure-critical-supply-chains-in-2022/>

Biden Administration Manufacturing, Supply Chain Plan

- Propose a new domestic manufacturing initiative through the Export-Import Bank to strengthen U.S. manufacturing exports
- \$10 billion for State Small Business Credit Initiative
- Convene 16 Manufacturing USA institutes to develop proposals to strengthen supply chains; Create SBA Committee of Industry leaders
- Open \$450 million Port Infrastructure Development Grant program
- Invest in sustainable domestic production, processing of critical minerals
- New Buy American category allows Government to pay more for domestic
- \$44m for commercial-ready technologies to increase supplies of inputs
- U.S.-Mexico cross border critical goods supply chain agreement

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/24/the-biden-harris-plan-to-revitalize-american-manufacturing-and-secure-critical-supply-chains-in-2022/>

Biden Administration Focus on Critical Minerals

BRIEFING ROOM

FACT SHEET: Securing a Made in America Supply Chain for Critical Minerals

FEBRUARY 22, 2022 • STATEMENTS AND RELEASES

- \$35 million from DoD to separate and process heavy rare earth elements
- \$140 million demonstration project to recover rare earth elements, critical minerals from coal ash and other mine waste
- \$3 billion for refining battery materials such as lithium, cobalt, nickel, graphite, and battery recycling
- Change mining regulations to allow for more domestic extraction

<https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/22/fact-sheet-securing-a-made-in-america-supply-chain-for-critical-minerals/>

Critical Mineral Exports from Ukraine (Some Used for Steel)

Commodity	Most restrictive export measure, 2020	Purpose of measure, 2020	Share of world mineral production, %, 2020	Share of world mineral exports, %, 2020
All Commodities - Most restrictive measure	Export quota	-	-	-
Aluminium	No restriction	-	-	0.5
Bauxite	No restriction	-	-	0
Bentonite	No restriction	-	0.5*	0.2
Coke	No restriction	-	1.4*	0.2
Coking coal	No restriction	-	0.6*	0
Iron (Pig iron)	No restriction	-	1.6	16.3
Iron ore	No restriction	-	2.6	3
Manganese	No restriction	-	2.7*	0.4
Metal waste and scrap	Export quota	Monitoring / control of export activity	-	0.1

<https://www.oecd.org/trade/topics/trade-in-raw-materials/>

Supply Chains and
Legislation on Capitol Hill
House Bill Formally Sent to U.S. Senate

U.S. China, Supply Chain Bill Moves to Conference

- Bipartisan Senate bill passed 68-32; House bill: one GOP yes, one Dem no
- House, Senate must reconcile differences in a Conference Committee process
- Legislation creates regional manufacturing and technology hubs
- Both bills have \$52 billion to incentivize U.S. semiconductor manufacturing
- Senate has \$81 billion to create a new directorate of technology, innovation
- House included extraneous items including PRO Act union expansion
- Goal is to reconcile differences by Memorial Day and pass a bipartisan bill

Efforts to Include Workforce Training in Supply Bill

- House bill includes \$5.2 billion for STEM workforce and education
- House added National Apprenticeship Act update, likely removed in final bill
- House added JOBS Act, allowing short term Pell Grants for 8-week programs
- House bill includes College Transparency Act
- Senate Education Committee does not want major policy included
- Congress unlikely to move on Higher Education Act this year
- If Congress passes spending bill, will include increases for apprenticeships

Tariffs and Trade

USTR Report Criticizes China Compliance with WTO

2021 Report to Congress On China’s WTO Compliance



United States Trade Representative
February 2022

PART FOUR: KEY CONCERNS

Non-Tariff Measures

Industrial Plans

State-Owned Enterprises

Industrial Subsidies

Fisheries Subsidies

Excess Capacity

Technology Transfer

Indigenous Innovation

Investment Restrictions

Administrative Licensing

Standards

Secure and Controllable ICT Policies

Encryption

Competition Policy

Pharmaceuticals

Medical Devices

Cosmetics

Non-tariff Measures (cont'd)

Export Restraints

VAT Rebates and Related Policies

Import Ban on Remanufactured Products

Import Ban on Scrap Materials

Trade Remedies

Government Procurement

Corporate Social Credit System

Labor Practices

Other Non-Tariff Measures

Intellectual Property Rights

Overview

Trade Secrets

Bad Faith Trademark Registration

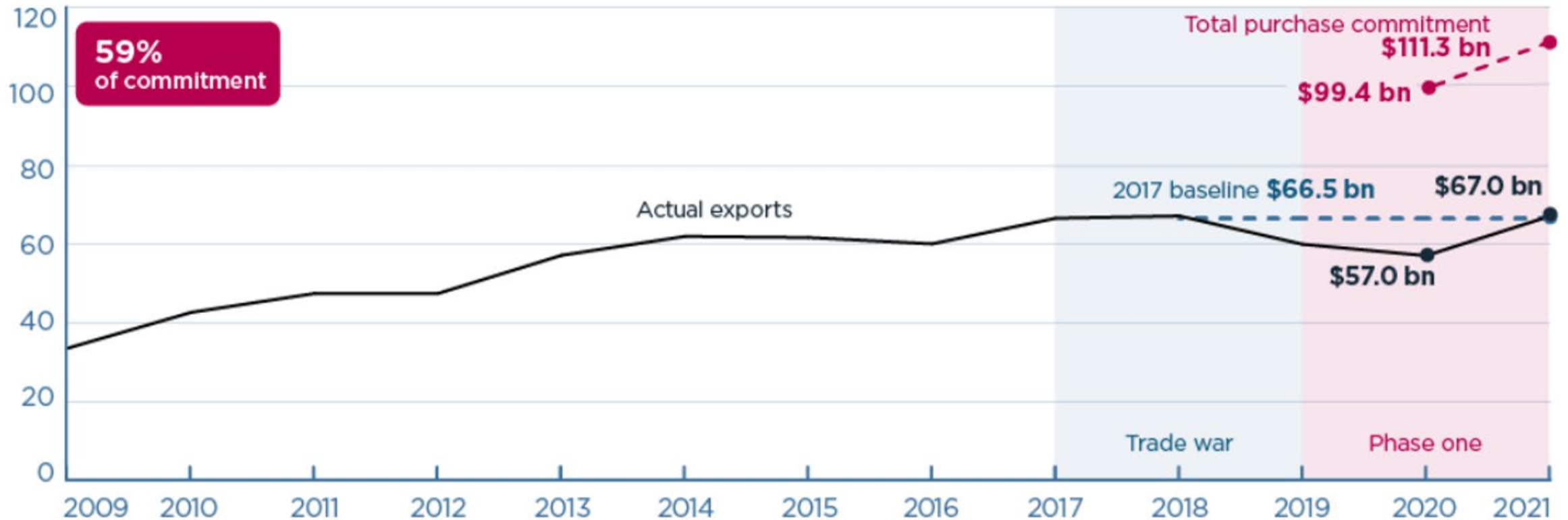
Online Infringement

Counterfeit Goods

China Fell Short of 2020 Phase I Deal Purchases

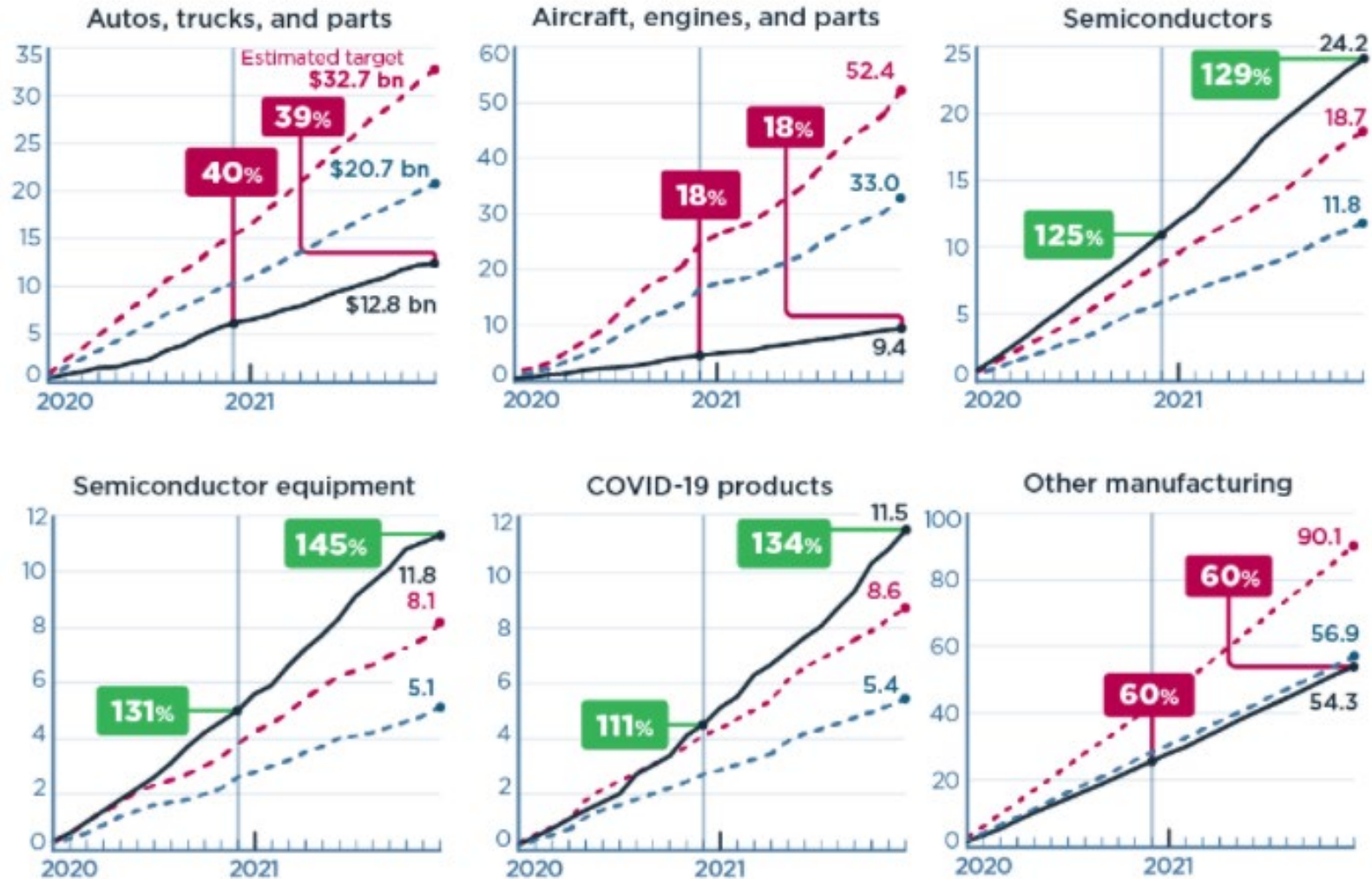
US manufacturing exports to China covered by the phase one deal, billions USD

a. All manufactured goods, 2009-21



<https://www.piie.com/blogs/realtime-economic-issues-watch/china-bought-none-extra-200-billion-us-exports-trumps-trade>

China Fell Short of 2020 Phase I Deal Purchases



<https://www.piie.com/blogs/realtime-economic-issues-watch/china-bought-none-extra-200-billion-us-exports-trumps-trade>

Tariff Rate Quotas Replace Some 232 Tariffs



- Quarterly Tariff Rate Quotas for steel
- Semiannual Tariff Rate Quotas for aluminum



- April 1: Quarterly TRQs for steel
- No deal for Japanese aluminum



- U.S. in discussion with UK for TRQs
- EU quota deal runs through 2023

U.S. Customs Tariff Rate Quota Data Each Monday

Commodity Status Report

Document Posting Date: July 6, 2021

The Commodity Graph Report is normally posted the first business day of every week. The current report and the 5 previous reports are on file for your review and reference.

Return to [Quota Enforcement and Administration](#)

Return to [Commodity Graph Reports and Tariff Preference Levels](#)

Last modified: February 22, 2022

Tags: [Trade](#)

Download Files

Commodity Status Report

[Quota Status Report FEB 22 2022](#) 

[Quota Status Report FEB 14 2022](#) 

[Quota Status Report FEB 7 2022](#) 

[Quota Status Report JAN 31 2022](#) 

[Quota Status Report JAN 24 2022](#) 

[Quota Status Report JAN 18 2022](#) 



<https://www.cbp.gov/document/report/commodity-status-report>

Tariff Rate Quotas: 34 Quota Product Categories Full

Quota Status Report



U.S. Customs and
Border Protection

Quota/License ID Number	Quota/License Commodity Description	Quota/License Country Name	Quota/License Region Code	Quota Period	Quota Region/Country Effective Begin Date	Quota Region/Country Effective End Date	Quota Region/Country Minimum Access Quantity	Quota Region/Country Maximum Quantity	Quota/License UOM Code	Quota/License Allocated Quantity	Quota Region/Country Percent Filled	Quota Region/Country Status Code	Quota Region/Country Status Date
99038091EUST	Cold-rolled sheet of stainless steel	FINLAND	-	202201	01/01/2022	03/31/2022	-	536000	KG	78084	14.57%	OPEN	-
99038091EUST	Cold-rolled sheet of stainless steel	FRANCE	-	202201	01/01/2022	03/31/2022	-	4550750	KG	1992211	43.78%	OPEN	-
99038091EUST	Cold-rolled sheet of stainless steel	GERMANY, FED. RE	-	202201	01/01/2022	03/31/2022	-	890750	KG	282894	31.76%	OPEN	-
99038091EUST	Cold-rolled sheet of stainless steel	SPAIN	-	202201	01/01/2022	03/31/2022	-	1270750	KG	1067120	83.98%	OPEN	-
99038065EUST	Hot-rolled sheet	FRANCE	-	202201	01/01/2022	03/31/2022	-	4721000	KG	3482287	73.76%	OPEN	-
99038065EUST	Hot-rolled sheet	GERMANY, FED. RE	-	202201	01/01/2022	03/31/2022	-	10070000	KG	1675280	16.64%	OPEN	-
99038065EUST	Hot-rolled sheet	SLOVAKIA	-	202201	01/01/2022	03/31/2022	-	54000	KG	54000	100.00%	FILL	02/16/2022 20:02: PM
99038067EUST	Hot-rolled plate, in coils	FINLAND	-	202201	01/01/2022	03/31/2022	-	1188750	KG	1011828	85.12%	OPEN	-
99038067EUST	Hot-rolled plate, in coils	FRANCE	-	202201	01/01/2022	03/31/2022	-	2753750	KG	2753750	100.00%	FILL	02/03/2022 20:01: PM
99038067EUST	Hot-rolled plate, in coils	GERMANY, FED. RE	-	202201	01/01/2022	03/31/2022	-	8765250	KG	468320	5.34%	OPEN	-
99038071EUST	Plate in cut lengths	AUSTRIA	-	202201	01/01/2022	03/31/2022	-	1321750	KG	114948	8.70%	OPEN	-
99038071EUST	Plate in cut lengths	BELGIUM	-	202201	01/01/2022	03/31/2022	-	3277000	KG	24452	0.75%	OPEN	-
99038071EUST	Plate in cut lengths	BULGARIA	-	202201	01/01/2022	03/31/2022	-	419250	KG	419000	99.94%	POTF	-
99038098EUST	Bars and rods of stainless steel, hot-ro	FRANCE	-	202201	01/01/2022	03/31/2022	-	420500	KG	201906	48.02%	OPEN	-
99038098EUST	Bars and rods of stainless steel, hot-ro	GERMANY, FED. RE	-	202201	01/01/2022	03/31/2022	-	515750	KG	299752	58.12%	OPEN	-
99038533EUAL	Bars, Rods, and Solid profiles, alloyed	FRANCE	-	202201	01/01/2022	06/30/2022	-	122400	KG	1102	0.90%	OPEN	-
99038533EUAL	Bars, Rods, and Solid profiles, alloyed	GERMANY, FED. RE	-	202201	01/01/2022	06/30/2022	-	1038600	KG	22336.67	2.15%	OPEN	-

<https://www.cbp.gov/sites/default/files/assets/documents/2022-Feb/Quota%20Status%20Report%20FEB%2022%202022.pdf>

GOES Imports Targeted by Congress



February 9, 2022

The Honorable Gina Raimondo
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

The Honorable Katherine Tai
Ambassador
U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai:

We write to express our concerns about the threat posed to domestic production of grain-oriented electrical steel (GOES). Since the United States has only one remaining producer of GOES, we urge you to revisit the findings of the Department of Commerce’s report from October 15, 2020, on “The Effect of Imports of Transformers and Transformer Components on the National Security” and take appropriate action before there is further damage to our domestic production.



February 21, 2022

The Honorable Gina Raimondo
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

The Honorable Katherine Tai
Ambassador
U.S. Trade Representative
600 17th Street, NW
Washington, DC 20006

Dear Secretary Raimondo and Ambassador Tai:

Right Steel Industry Problem: Wrong Solution

We are writing to you as a follow-up to the letter that you have received from Senators Brown and Portman regarding imported core components of grain oriented electrical steel (GOES) for use in the manufacture of transformers in the USA. This issue was the subject of a Section 232 investigation by the Department of Commerce (DoC) during 2019, with the final report not released until 2021.

Senators Brown and Portman identify that imports “threaten the security of the US”, which is the finding of the DoC report, but also threaten jobs in the US, specifically 1,400 steel-worker jobs at the Butler, PA and Zanesville, OH plants of Cleveland-Cliffs (Cliffs), the only manufacturer of GOES in North America. However, the Senators do not identify that the total capacity for production of GOES by Cliffs, currently operating at 100% capacity, is far below the normal consumption of GOES in the US, as shown by the following:

USA Grain Oriented Consumption, 2015 - 2021f
(Thousand Metric Tonnes)

2015	2016	2017	2018	2019	2020	2021f	2015-20 Average
------	------	------	------	------	------	-------	--------------------

CANADIAN

Fabricating & Welding

Supply chain checkup

As shortages and other challenges continue, Canadian industry adapts

AP

US economy defies omicron and adds 467,000 jobs in January

By CHRISTOPHER RUGABER February 4, 2022

Stay Connected – One Voice Podcast



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/>

