

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

Presented by
The Franklin Partnership, LLC
Policy Resolution Group at Bracewell
June 25, 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

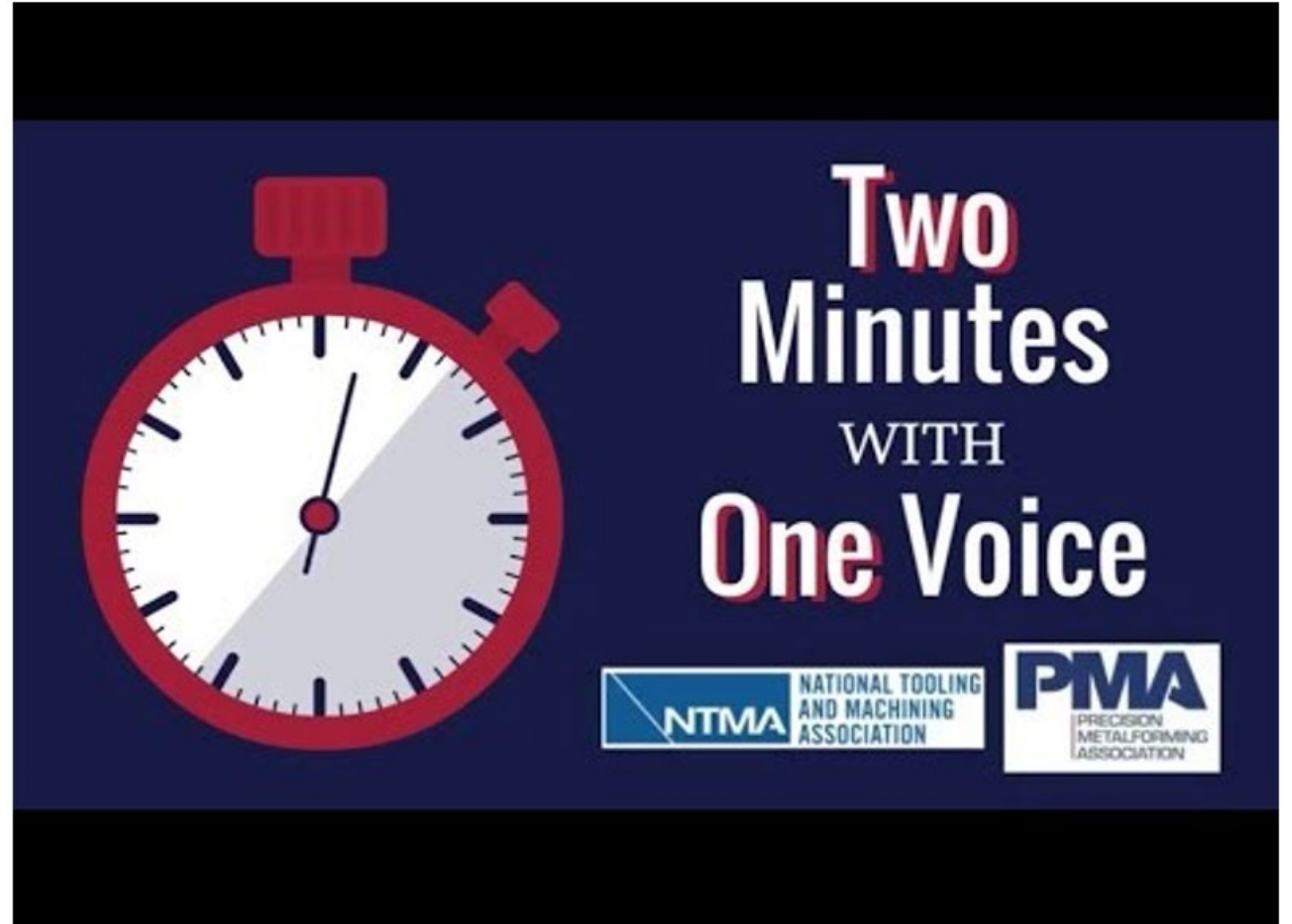
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TALKING WITH
ONE VOICE

A MANUFACTURING INDUSTRY ADVOCACY PODCAST



Contents

- CDC: Permitted Activities for Fully Vaccinated
- CDC Manufacturing Guidance
- EEOC Employer Guidelines Issued
- OSHA Emergency Temporary Standard Released
- PPP Loan Update
- Infrastructure Talks Status
- Supply Chain Disruptions

All information presented as of June 24, 2021

COVID-19 Update

CDC: Activities Permitted if Fully Vaccinated

If you've been fully vaccinated:

- You can resume activities that you did prior to the pandemic.
- You can resume activities without wearing a mask or staying 6 feet apart, except where required by federal, state, local, tribal, or territorial laws, rules, and regulations, including local business and workplace guidance.
- If you [travel in the United States](#), you do not need to get tested before or after travel or self-quarantine after travel.
- You need to pay close attention to [the situation at your international destination](#) before traveling outside the United States.
 - You do NOT need to get tested **before** leaving the United States unless your destination requires it.
 - You still need to [show a negative test result](#) or documentation of recovery from COVID-19 **before** boarding an international flight to the United States.
 - You should still get tested 3-5 days **after** international travel.
 - You do NOT need to self-quarantine **after** arriving in the United States.
- If you've been around someone who has COVID-19, you do not need to stay away from others or get tested unless you have symptoms.
 - However, if you live or work in a correctional or detention facility or a homeless shelter and are around someone who has COVID-19, you should still get tested, even if you don't have symptoms.

June 17, 2021

CDC Cleaning Guidance: Some New Recommendations

Cleaning and Disinfecting Your Facility

Every Day and When Someone is Sick

Updated June 15, 2021

Languages ▼

Print

On This Page

When to Clean and When to Disinfect

Clean and Disinfect Your Facility When Someone is Sick

Routine Cleaning

Additional Considerations for Employers

Clean and Disinfect Specific Types of Surfaces

June 15, 2021

CDC: New Mfg Guidance Webpage

Manufacturing Workers and Employers

Interim Guidance from CDC and the Occupational Safety and Health Administration (OSHA)

Updated June 11, 2021

Languages ▼

Print

On This Page

Exposure risk among manufacturing workers

Controls

Create a COVID-19 assessment and control plan

CDC: New Mfg Guidance – Reaffirms Recent Notices

Create a COVID-19 assessment and control plan

A qualified workplace coordinator should be identified who will be responsible for COVID-19 assessment and control planning. All workers in the facility should know how to contact the identified coordinator with any COVID-19 concerns. Infection control and occupational safety and health plans should apply to anyone entering or working in the plant (e.g., all facility workers, contractors, and others). Facility management should reach out to state and/or local public health officials and occupational safety and health professionals and establish ongoing communications to make sure they are getting relevant and up-to-date information concerning COVID-19. The workplace coordinators and management should also be aware of and follow all applicable federal regulations and public health agency guidelines. Work site assessments to identify COVID-19 risks and [prevention strategies](#) should be done periodically as part of sound occupational health and public health practice. As part of these assessments, facilities should consider the appropriate role for testing and workplace [contact tracing](#) (identifying person-to-person spread) of COVID-19 workers who tested positive in a work site risk assessment, following [available CDC guidance](#).

Controls

Worker infection prevention recommendations are based on an approach known as the [hierarchy of controls](#). This approach groups actions by their effectiveness in reducing or removing hazards. In most cases, the preferred approach is to:

1. Eliminate a hazard or processes;
2. Install engineering controls; and
3. Implement appropriate [cleaning, sanitation, and disinfection](#) practices to reduce exposure or shield workers.

Administrative controls, which are changes to the way people work, are also an important part of an approach to prevention in these workplaces.

EEOC Guidance on Vaccine Requirements, Incentives

- Federal EEO laws do not prevent an employer from requiring all employees physically entering the workplace to be vaccinated for COVID-19, so long as employers comply with the reasonable accommodation provisions of the ADA and Title VII of the Civil Rights Act of 1964 and other EEO considerations. Other laws, not in EEOC's jurisdiction, may place additional restrictions on employers. From an EEO perspective, employers should keep in mind that because some individuals or demographic groups may face greater barriers to receiving a COVID-19 vaccination than others, some employees may be more likely to be negatively impacted by a vaccination requirement.
- Federal EEO laws do not prevent or limit employers from offering incentives to employees to voluntarily provide documentation or other confirmation of vaccination obtained from a third party (not the employer) in the community, such as a pharmacy, personal health care provider, or public clinic. If employers choose to obtain vaccination information from their employees, employers must keep vaccination information confidential pursuant to the ADA.

May 28, 2021

OSHA COVID Emergency Temporary Standard (ETS)

- President Biden directed OSHA to develop an ETS by March 15, if necessary
- Changing CDC guidelines led to OSHA delays
- White House OMB met with dozens of stakeholders in May and June
- Employers succeeded in a limited ETS released June 10 – healthcare workplace only
- No major changes for businesses from federal OSHA
- Summary of changes June 10, 2021
 - Focus protections on unvaccinated and otherwise at-risk workers
 - Encourage COVID-19 vaccination
 - Add links to guidance with the most up-to-date content
- Must still comply with state, local workplace requirements (CalOSHA new revisions)

OSHA COVID Emergency Temporary Standard

Except for workplace settings covered by OSHA's ETS and mask requirements for public transportation, most employers no longer need to take steps to protect their workers from COVID-19 exposure in any workplace, or well-defined portions of a workplace, where all employees are fully vaccinated. Employers should still take steps to protect unvaccinated or otherwise at-risk workers in their workplaces, or well-defined portions of workplaces.²

3. **Implement physical distancing for unvaccinated and otherwise at-risk workers in all communal work areas.** A key way to protect unvaccinated or otherwise at-risk workers is to physically distance them from other unvaccinated or otherwise at-risk people (workers or customers) – generally at least 6 feet of distance is recommended, although this is not a guarantee of safety, especially in enclosed or poorly ventilated spaces.
4. **Provide unvaccinated and otherwise at-risk workers with face coverings or surgical masks, unless their work task requires a respirator or other PPE.** Such workers should wear a face covering that covers the nose and mouth to contain the wearer's respiratory droplets and help protect others and potentially themselves. Face coverings should be made of at least two layers of a tightly woven breathable fabric, such as cotton, and should not have exhalation valves or vents. They should fit snugly over the nose, mouth, and chin with no large gaps on the outside of the face. CDC provides [general guidance on masks](#).

Employers should provide face coverings to unvaccinated and otherwise at-risk workers at no cost. Under federal anti-discrimination laws, employers may need to provide **reasonable accommodation** for any workers who are unable to wear or have difficulty wearing certain types of face coverings due to a disability or who need a religious accommodation under Title VII. In workplaces with employees who are deaf or hard of hearing, employers should consider acquiring masks with clear coverings over the mouth for unvaccinated and otherwise at-risk workers to facilitate lip-reading.

June 10, 2021

PPP Loans Update

PPP Loan Program Through May 31, 2021

Summary of All PPP Approved Lending

Loans Approved	Total Net Dollars	Total Lender Count
11,823,594	\$799,832,866,520	5,467

Summary of 2021 PPP Approved Lending

Loans Approved	Net Dollars	Lender Count
6,681,929	\$277,700,108,079	5,242

May 31, 2021

PPP Loan Forgiveness

Data as of May 24, 2021

Total 2020 PPP volume	5.2 million
Forgiven	3.3 million
Amount not forgiven	-
Under review	145k
Applications not yet received	1.7 million

May 24, 2021

PPP Loan Forgiveness, EIDL Challenges Continue

- SBA slowed forgiveness reviews to expedite PPP1 and PPP2 loans ahead of May 31
- Sources indicate SBA resuming reviews; lenders as well
- Most over \$2 million submitted Form 3509 months ago with no followup – this was normal
- Over \$2 million PPP loans –significant forgiveness delays, now starting to process more
- Significant challenges remain with EIDL Loans
- EIDL, other loans through SBA Disaster Loan Office faced many more delays
- Congress examining potential fraud in SBA programs, leading to more delays

Infrastructure Update

A Two Track Approach – Infrastructure/Reconciliation

- Current pathway is a bipartisan infrastructure bill and a partisan reconciliation measure
- Reconciliation will include “family, individual infrastructure”, only needs 50 Senate votes
- Progressives will not allow infrastructure to move without reconciliation “guarantee”
- Progressives may insist reconciliation Congress take reconciliation vote with infrastructure
- Many moderate Democratic Senators may not support liberal priorities in reconciliation bill
- Some moderate House Democrats may not support tax increases in reconciliation
- President says will not sign bipartisan bill without reconciliation
- House and Senate must first agree on reconciliation budget resolution in July then the bill

White House – Bipartisan Senate “Agreement”/Proposal

- Thurs., June 24, President Biden announces deal with bipartisan Senate group
- Five-year \$973 billion over all cost for “hard” infrastructure (\$1.2 trillion over eight years)
- \$579 billion in new spending
- Negotiated by 5 Democratic and 5 GOP Senators part of Group of 21 bipartisan Senators
- Group includes Sens. Manchin, Collins, Romney, Sinema
- Does NOT include Sens. Sanders, Warren
- Does NOT include major climate provisions
- Senate Minority Leader McConnell not on board
- May be easier to secure first ten Republican Senators than last two Democratic Senators...

Bipartisan Infrastructure Framework Spending

Total	Amount (billions)
Transportation	\$579
Roads, bridges, major projects	\$312
Safety	\$109
Public transit	\$11
Passenger and Freight Rail	\$49
EV infrastructure	\$66
Electric buses / transit	\$7.5
Reconnecting communities	\$7.5
Airports	\$1
Ports & Waterways	\$25
Infrastructure Financing	\$16
	\$20
Other Infrastructure	\$266
Water infrastructure	\$55
Broadband infrastructure	\$65
Environmental remediation	\$21
Power infrastructure incl. grid authority	\$73
Western Water Storage	\$5
Resilience	\$47

Timeline and Next Steps

- Still very far away from a full deal; need sixty Senators, not G21
- Must draft actual legislation, have largely agreed to top line numbers, some policy
- President Biden says he “expects” infrastructure and reconciliation bills by Sept. 30
- Schumer and Pelosi want to move reconciliation bills in July – ambitious timeline
- Pelosi says Senate must pass reconciliation bill before House votes on bipartisan plan
- House, Senate Committees moving hard infrastructure, water bills G21 can use
- Senate out of Washington until July 12; likely cancels first week of August break
- September 30: Transportation authorization law expires, Fiscal Year ends, debt ceiling?

July 4 recess will show whether bipartisan group's support remains intact

Paying for Infrastructure

Proposed Financing Sources for Bipartisan Agreement

- Reduce the IRS tax gap
- Unemployment insurance program integrity
- Redirect unused unemployment insurance relief funds
- Repurpose unused relief funds from 2020 emergency relief legislation
- State and local investment in broadband infrastructure
- Allow states to sell or purchase unused toll credits for infrastructure
- Extend expiring customs user fees
- Reinstate Superfund fees for chemicals
- 5G spectrum auction proceeds
- Extend mandatory sequester
- Strategic petroleum reserve sale
- Public-private partnerships, private activity bonds, direct pay bonds and asset recycling for infrastructure investment
- Macroeconomic impact of infrastructure investment

Tax Discussions in Partisan Reconciliation Bill

- 25% C-Corporate rate still on the table
- G7 countries agree to 15% global minimum tax
 - Congress will have to include the tax rate in their reconciliation bill to become effective
- Holding Section 199a meetings on pass-through deduction
 - Senate Finance Committee Chair Wyden preparing bill to change who claims 20% deduction
- Stepped Up Basis on Estate Tax, Capital Gains a top target
 - President supports eliminating stepped up basis
 - Moderate and farm state Democrats pushing back to elimination
 - Concern Congress makes cap gains, estate tax retroactive – Jan, April, or June 2021 dates discussed
 - Lobbying effort on Capitol Hill supporting stepped up basis, current estate tax, cap gains
- No talks yet of fixing R&D Tax Credit amortization in reconciliation
- Senate must still put together and pass a budget reconciliation resolution, likely in July
- Could see tax changes made in Oct-Dec 2021, weeks before effective date of Jan 1, 2022

Supply Chain Disruptions Continue: Washington Taking Notice

Supply Chain Bill: U.S. Innovation and Competition Act

- Addressing China one of few bipartisan issues in Washington
- Amendments Flooded the bill
- Bill passed U.S. Senate 68-32 June 8, 2021
- Over 2,000 pages (started at 160 pages)
 - \$50 billion over five years to subsidize semiconductor manufacturing
 - \$81 billion to create a new directorate of technology and innovation at National Science Foundation
 - \$10 billion over five years to the Department of Commerce to create ten regional tech hub programs
 - Create an inter-agency task force to address Chinese market manipulation in the United States
 - Directs the Secretary of State to publish a list of all state-owned enterprises using IP theft, tech transfer
 - Require gov't agencies to offer at least two-year contracts for PPE, making supply chain permanent
 - Expands access to postsecondary STEM pathways, such as dual enrollment and early college high school
 - Other provisions added: Shark Fin sales, NASA, internet exchanges

Administration Completes 1st Supply Chain Review

- Biden February 2021 Executive Order: one year and 100-day supply chain reviews
- On June 8, 2021, administration released 250-page report, focused on:
 1. semiconductor manufacturing
 2. high-capacity batteries
 3. medical supplies
 4. rare earth minerals
- Report had six main recommendations
 1. Rebuild production and innovation capabilities
 2. Support development of markets w/ high road production models, labor standards, and product quality
 3. Leverage the government's role as a market actor
 4. Strengthen international trade rules, including trade enforcement mechanisms
 5. Work with allies and partners to decrease vulnerabilities in the global supply chains
 6. Partner with industry to take immediate action to address existing shortages

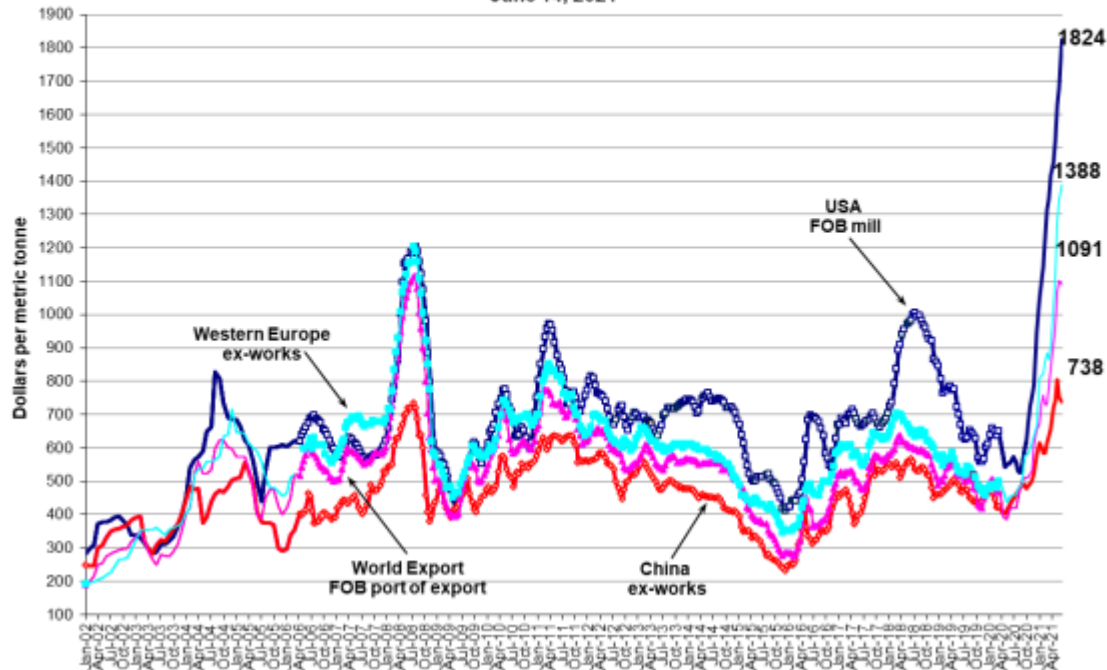
Steel Supply Chain Disruptions

SteelBenchmarker™ HRB Price

USA, China, Western Europe and World Export

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

June 14, 2021

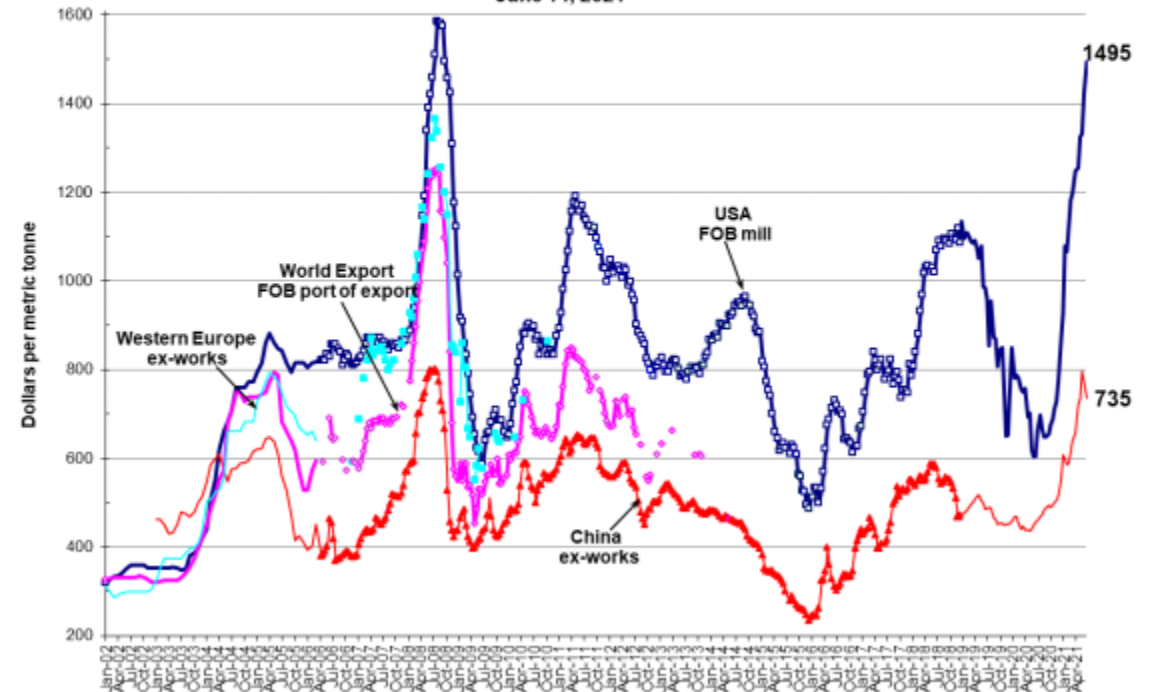


SteelBenchmarker™ Plate Price

USA, China, Western Europe and World Export

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

June 14, 2021



Biden De-escalating Tariff Wars with Allies

- Focus now on allies such as UK, EU, Japan and de-escalation tariff wars
- Biden, EU commit to lifting Section 232 steel, aluminum tariffs by end of year
- Could look at gradual changes or possibly replace with quotas
- Biden looking at using U.S. 232 national security laws on magnets
- U.S.-EU agree to five-year suspension of tariffs under Boeing-Airbus Section 301 dispute
- U.S. imposed, then suspended until November 29, 2021, 25% digital services tax on Austria, India, Italy, Spain, Turkey, UK
- G-20 meeting October 30, Biden wants solutions with EU, allies ahead of dealing w/China

Media: Efforts to Remove Tariffs



IndustryWeek.

In a statement accompanying the report, the PMA called for Washington to ditch Trump-era Section 232 tariffs on imported steel and aluminum, which they say makes the raw-material situation even harder.

ST. LOUIS POST-DISPATCH

Collectively, the nation's metal-using industries employ 6 million workers, far more than the 240,000 directly employed in making steel and aluminum. The voices of firms like Homeyer, Mittler and Tinney need to be heard in the nation's trade policy debate, but they're usually drowned out by giants like Alcoa and U.S. Steel.

S&P Global

Platts

US trade associations ask Biden to end steel, aluminum tariffs

Speaking of Supply Chain Shortages

Where Have All the Workers Gone?

470,000 Durable Goods Mfg Job Openings April 2021

- President Biden does not support extending \$300 federal unemployment benefit
- 25 states ending federal unemployment benefits ahead of Sept. 6 expiration
- House holding hearings on renewing Workforce Innovation Opportunity Act (WIOA)
- House passed National Apprenticeship Act in February 2021
- U.S. Senate looking to move broader workforce measure Summer 2021
- Could include workforce provisions in the infrastructure bill
- Congress recognizes challenges recruiting workers, starting to help promote awareness
- Manufacturers working to increase job training funding

CRAIN'S CLEVELAND BUSINESS

Majority of metalformers expect stable economic activity in coming months

TRIBLIVE

BotsIQ is a program of the Pittsburgh Chapter National Tooling & Machining Foundation. Its mission is to provide hands-on learning experiences that introduce students to manufacturing careers.

The Meadville Tribune MEADVILLETribune.COM

The annual event is sponsored by the northwestern Pennsylvania National Tooling and Machining Association (NTMA), with an eye toward training students in manufacturing and machining skills. According to Tami Adams, executive director of the chapter, the return of the tournament was a much-celebrated event.

the fabricator.

NTMA to host 2021 Virtual AMPED MFG Career Summit

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?

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