

COVID-19 Update

Presented by
The Franklin Partnership, LLC
Policy Resolution Group at Bracewell
April 24, 2020



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 advice.

Agenda

- Guidance, Forms Still not Available
- Updated Federal Essential Business Definition
- OSHA Updates
- EEOC Guidance
- New Normal: Operations
- PPP Funding Added
- Next Steps
- Questions

All information presented as of April 22, 2020

Guidance, Programs, Forms Still Not Available

- Main Street Lending Fund guidance for loans for up to 10,000 employees
 - Supposed to release “in coming week”
- PPP loan guidance on forgiveness process, terms
- Updated 941 IRS Quarterly Form

April 22, 2020

Essential Business Definition – Updated (Version 3.0)



U.S. Department of Homeland Security

Cybersecurity & Infrastructure Security Agency (CISA) list:

Critical Manufacturing Definition:

Adds: “aerospace supply chains”

Adds: “Workers manufacturing or providing parts and equipment that enable the maintenance and continued operation of essential businesses and facilities.”

Transportation and Logistics Definition:

“Automotive repair, maintenance, and transportation equipment manufacturing and distribution facilities”

OSHA Guidance for Manufacturing



OSHA ALERT

COVID-19 Guidance for the Manufacturing Industry Workforce

OSHA is committed to protecting the health and safety of America's workers and workplaces during these unprecedented times. The agency will be issuing a series of industry-specific alerts designed to keep workers safe.

If you are in the manufacturing industry, the following tips can help reduce the risk of exposure to the coronavirus:

- For work activities where social distancing is a challenge, consider limiting the duration of these activities and/or implementing innovative approaches, such as temporarily moving or repositioning workstations to create more distance or installing barriers (e.g., plexiglass shields) between workstations.
- Monitor public health communications about COVID-19 recommendations for the workplace and ensure that workers have access to and understand that information.
- Train workers on how to properly put on, use/wear, take-off, and maintain protective clothing and equipment.
- Discourage workers from using other workers' tools and equipment.
- Use Environmental Protection Agency-approved cleaning chemicals from [List N](#) or that have label claims against the coronavirus.

 Occupational Safety and Health Administration • [osha.gov/coronavirus](https://www.osha.gov/coronavirus) • 1-800-321-OSHA (6742) • @OSHA_DOL 

<https://www.osha.gov/Publications/OSHA4002.pdf>

April 16, 2020

Dept. of Labor Ten Steps to Reduce Risk Poster

Ten Steps All Workplaces Can Take to Reduce Risk of Exposure to Coronavirus

All workplaces can take the following infection prevention measures to protect workers:

- 1 Encourage workers to stay home if sick.
- 2 Encourage respiratory etiquette, including covering coughs and sneezes.
- 3 Provide a place to wash hands or alcohol-based hand rubs containing at least 60% alcohol.
- 4 Limit worksite access to only essential workers, if possible.
- 5 Establish flexible worksites (e.g., telecommuting) and flexible work hours (e.g., staggered shifts), if feasible.
- 6 Discourage workers from using other workers' phones, desks, or other work tools and equipment.
- 7 Regularly clean and disinfect surfaces, equipment, and other elements of the work environment.
- 8 Use Environmental Protection Agency (EPA)-approved cleaning chemicals with label claims against the coronavirus.
- 9 Follow the manufacturer's instructions for use of all cleaning and disinfection products.
- 10 Encourage workers to report any safety and health concerns.

For more information, visit www.osha.gov/coronavirus or call 1-800-321-OSHA (6742).

Does not state that you must post

OSHA Discretion in Enforcement Memo

- “OSHA understands that some employers may face difficulties complying with OSHA standards due to the ongoing health emergency...[and] requirements may limit the availability of employees, consultants, or contractors who normally provide training, auditing, equipment inspections, testing, and other essential safety and industrial hygiene services.”
- “OSHA Area Offices will assess an employer's efforts to comply with standards that require annual or recurring audits, reviews, training, or assessments...[and] evaluate whether the employer made good faith efforts to comply”
- “In instances where an employer is unable to comply with OSHA-mandated training, audit, assessment, inspection, or testing requirements because local authorities required the workplace to close, the employer should demonstrate a good faith attempt to meet the applicable requirements as soon as possible following the re-opening of the workplace.”

April 16, 2020

Dept. of Labor Unemployment Insurance FAQ

I was furloughed by my employer, but they have now reopened and asked me to return to my job. Can I remain on unemployment?

No. As a general matter, individuals receiving regular unemployment compensation must act upon any referral to suitable employment and must accept any offer of suitable employment. Barring unusual circumstances, a request that a furloughed employee return to his or her job very likely constitutes an offer of suitable employment that the employee must accept.

While eligibility for PUA does not turn on whether an individual is actively seeking work, it does require that the individual be unemployed, partially employed, or unable or unavailable to work due to certain circumstances that are a direct result of COVID-19 or the COVID-19 public health emergency. In the situation outlined here, an employee who had been furloughed because his or her employer has closed the place of employment would potentially be eligible for PUA while the employer remained closed, assuming the closure was a direct result of the COVID-19 public health emergency and other qualifying conditions are satisfied. However, as soon as the business reopens and the employee is recalled for work, as in the example above, eligibility for PUA would cease unless the individual could identify some other qualifying circumstance outlined in the CARES Act.

Dept. of Labor Unemployment Insurance FAQ

One of my workers quit because he said he would prefer to receive the unemployment compensation benefits under the CARES Act. Is he eligible for unemployment? If not, what can I do?

No, typically that employee would not be eligible for regular unemployment compensation or PUA. Eligibility for regular unemployment compensation varies by state but generally does not include those who voluntarily leave employment. Similarly, to receive PUA, an individual must be ineligible for regular unemployment compensation or extended benefits under state or federal law, or pandemic emergency unemployment compensation, and satisfy one of the eligibility criteria enumerated in the CARES Act, as explained in [Unemployment Insurance Program Letter 16-20](#). There are multiple qualifying circumstances related to COVID-19 that can make an individual eligible for PUA, including if the individual quits his or her job as a direct result of COVID-19. Quitting to access unemployment benefits is not one of them. Individuals who quit their jobs to access higher benefits, and are untruthful in their UI application about their reason for quitting, will be considered to have committed fraud.

If desired, employers can contest unemployment insurance claims through their state unemployment insurance agency's process.

EEOC ADA Guidance Update

G.1. As government stay-at-home orders and other restrictions are modified or lifted in your area, how will employers know what steps they can take consistent with the ADA to screen employees for COVID-19 when entering the workplace? (4/17/20)

The ADA permits employers to make disability-related inquiries and conduct medical exams if job-related and consistent with business necessity. Inquiries and reliable medical exams meet this standard if it is necessary to exclude employees with a medical condition that would pose a direct threat to health or safety.

Direct threat is to be determined based on the best available objective medical evidence. The guidance from CDC or other public health authorities is such evidence. Therefore, employers will be acting consistent with the ADA as long as any screening implemented is consistent with advice from the CDC and public health authorities for that type of workplace at that time.

For example, this may include continuing to take temperatures and asking questions about symptoms (or require self-reporting) of all those entering the workplace. Similarly, the CDC recently posted [information](#) on return by certain types of critical workers.

Employers should make sure not to engage in unlawful disparate treatment based on protected characteristics in decisions related to screening and exclusion.

G.2. An employer requires returning workers to wear personal protective gear and engage in infection control practices. Some employees ask for accommodations due to a need for modified protective gear. Must an employer grant these requests? (4/17/20)

An employer may require employees to wear [protective gear](#) (for example, masks and gloves) and observe [infection control practices](#) (for example, regular hand washing and social distancing protocols).

However, where an employee with a disability needs a related reasonable accommodation under the ADA (e.g., non-latex gloves, modified face masks for interpreters or others who communicate with an employee who uses lip reading, or gowns designed for individuals who use wheelchairs), or a religious accommodation under Title VII (such as modified equipment due to religious garb), the employer should discuss the request and provide the modification or an alternative if feasible and not an undue hardship on the operation of the employer's business under the ADA or Title VII.

New Normal: Tips from Fellow Manufacturers

- PPE Requirements, training
- Guards between workspaces, plastic shields when possible
- Space Shifts Out, Longer Transition/Cleaning Between Shift Change
- Touchless Access:
 - Clock-in/Clock-out
 - Automated Doors
 - How does a delivery driver make presence known – phone outside/in lobby?
- Installing Copper Fixtures
 - Reports are that copper has natural characteristics to lower COVID-19 risk

New Normal: Tier 1 Auto Smart Start Playbook

Personal Protective Equipment Use and Selection

- A) Establish PPE requirements that will be required as a precautionary measure.
- B) Ensure employees understand new requirements and how to wear the PPE and dispose of PPE
- C) Post signage reminding employees of requirements
- D) Require workers to follow requirements for wearing PPE as precautionary measure
- E) Remove shared PPE (i.e. visitor safety glasses, face shields)
- F) Establish PPE inventory requirements at a minimum week by week basis (i.e. masks, gloves, soap, cleaning agents, sanitizer, wipes)
- G) Establish purchasing schedule to maintain minimum numbers (supply within Magna vs external purchase)

Personal Protective Equipment Cleaning

- A) Instruct employees to avoid sharing PPE
- B) Use disposable PPE
- C) Users shall be trained in the care and cleaning of PPE
- D) Reusable PPE must be cleaned prior to each use and after each use
- E) Users are trained to safely don / remove/ dispose of PPE
- F) Provide designated PPE disposal receptacles
- G) Where there is a risk of contamination (i.e. 2m / 6 ft social distancing cannot be maintained etc.) clothing is adequately laundered and/or use a uniform cleaning service

New Normal: Tier 1 Auto Safe Work Playbook

Disinfectant Supplies:

- Confirm operation has an adequate supply of soap, disinfection spray, hand gel, paper towels and tissue.
- Plants should keep a minimum quantity of 30-day supply of disinfectant supplies.
- Disinfection portable stations are recommended for each line except for restricted/sensitive areas due to manufacturing processes.

PPE:

- Confirm stock of face masks, gloves, and glasses on-site and on-order with proper lead time.
- Plants should keep a minimum quantity of 30-day supply of PPE.
- Medical employees, screeners, and cleaning crew are required to wear gloves, masks, and glasses.

#	Item	Spec	Quantity
1	Mask (surgical)	Disposable surgical masks (1-day)	Min. 30-day supply
2	Nitrile gloves	Touchflex/ Surgical Nitrile Gloves	Min. 30-day supply
3	Infrared thermometer	Medical infrared thermometer/ Measures ranges 32°C to 42.5°C meets ASTM E965-1998 (2003)	1 per 100 employees/shift
4	Disinfectant spray/wipes	10% bleach (sodium hypochlorite) solution made fresh daily, or a hospital-grade disinfectant (refer to approved disinfectant listing)	Min. 30-day supply
5	Spray bottles	1-liter plastic spray containers	Min. 5 bottles
6	Sanitization floor stand	Hand sanitizer dispenser floor stand	1 available in work area per 50 employees
7	Hand sanitizer (refills)	Sanitizer with Alcohol 70%/Local Brand "Sanitizer"	Min. 30-day supply
8	Hand soap	Hand soap / Local brand "Serviquim"	Min. 30-day supply
9	Paper towels	Paper Towel "Tork"	Min. 30-day supply
10	Glasses/face shields	Safety glasses / Polycarbonate	Min. 30-day supply
11	Bio-hazard container	Bags that can be sealed and tagged as contaminated material (Please see 'refuse' section of the COVID-19 Policy and Guidelines Directive)	Min. 30-day supply
12	Clorox Total 360 (optional)	https://www.cloroxpro.com/products/clorox/total-360/	

COVID-19 New Laws and Pending Legislation

- **Phase 1:** \$8.3 billion “Coronavirus Supplemental” for vaccines, test kits
- **Phase 2:** \$100 billion Families First Coronavirus Response Act signed into law
 - Paid Sick Leave, FMLA Expansion
 - Tax credits for employers
- **Phase 3:** \$2 trillion economic stabilization law
 - Direct funds to individuals, states, loans to small businesses
 - Support for larger companies, tax provisions to support industry
- **Phase 4:** \$484 billion to replenish lending program
 - Provided additional funding for PPP, EIDL
 - \$75 billion for hospitals; \$25 billion for testing; not state/local funding
- **Phase 5:** CARES 2 (likely early May)
 - More small business support?
 - More direct payments to individuals, payroll tax holiday possible, extension of expiring/expired tax credits

Which Health Benefits Covered Under PPP?

Payroll costs under CARES Act: “payment required for the provisions of group health care benefits, including insurance premiums.” Although the term “group health care benefits” is not defined in the CARES Act, FFCRA has similar usage.

Included in payroll costs:

Medical Plans

HRAs (but not QSEHRA)

Dental Plans

Vision Plans

Prescription Plans

Health FSAs

Others defined as group health plans under Code Section 5000(b)(1)

Excluded because they are income protection plans (not health):

Long-Term Disability

Short-Term Disability

Accidental Death and Dismemberment

Supplemental Life

Workers’ Compensation

QSEHRA

Archer MSA

Source: CliftonLarsonAllen

Paycheck Protection Program (PPP) Loan Status

Loan Count	Net Approved Dollars	Lender Count
1,661,367	\$342,277,999,103*	4,975

NAICS Subsector Description	Approved Loans	Approved Dollars	% of Amount
Construction	177,905	\$44,906,538,010	13.12%
Professional, Scientific, and Technical Services	208,360	\$43,294,713,938	12.65%
Manufacturing	108,863	\$40,922,240,021	11.96%
Health Care and Social Assistance	183,542	\$39,892,493,481	11.65%
Accommodation and Food Services	161,876	\$30,500,417,573	8.91%
Retail Trade	186,429	\$29,418,369,063	8.59%
Wholesale Trade	65,078	\$19,489,410,472	5.69%
Other Services (except Public Administration)	155,319	\$17,707,077,167	5.17%
Administrative and Support and Waste Management and Remediation Services	72,439	\$15,285,814,286	4.47%
Real Estate and Rental and Leasing	79,784	\$10,743,430,227	3.14%
Transportation and Warehousing	44,415	\$10,598,076,231	3.10%
Finance and Insurance	60,134	\$8,177,041,995	2.39%
Educational Services	25,198	\$8,062,652,288	2.36%
Information	22,825	\$6,675,630,276	1.95%
Arts, Entertainment, and Recreation	39,670	\$4,939,280,138	1.44%
Agriculture, Forestry, Fishing and Hunting	46,334	\$4,374,343,877	1.28%
Mining	11,168	\$3,894,793,207	1.14%
Public Administration	5,570	\$1,197,353,586	0.35%
Management of Companies and Enterprises	3,211	\$1,170,748,130	0.34%
Utilities	3,247	\$1,027,575,137	0.30%

April 16, 2020

Congress Adds More PPP Loan Funding

- \$310 billion to replenish the PPP, allocated as follows:
- \$250 billion for the general program open to all participating lenders
- \$60 billion reserved for lending institutions with assets less than \$50 billion:
 - \$30 billion for institutions with assets between \$10-50 billion, and
 - \$30 billion for those with less than \$10 billion
- 800,000 loans still in the queue
 - Avg. loan amount so far \$206,000 meaning \$310b should generate 1.5m loans
 - If 800k in queue, may only be opportunity for 700,000 new loans not in queue

Morgan Stanley reports administration approved \$243.4 million in loans out of the total \$349 billion to publicly traded companies

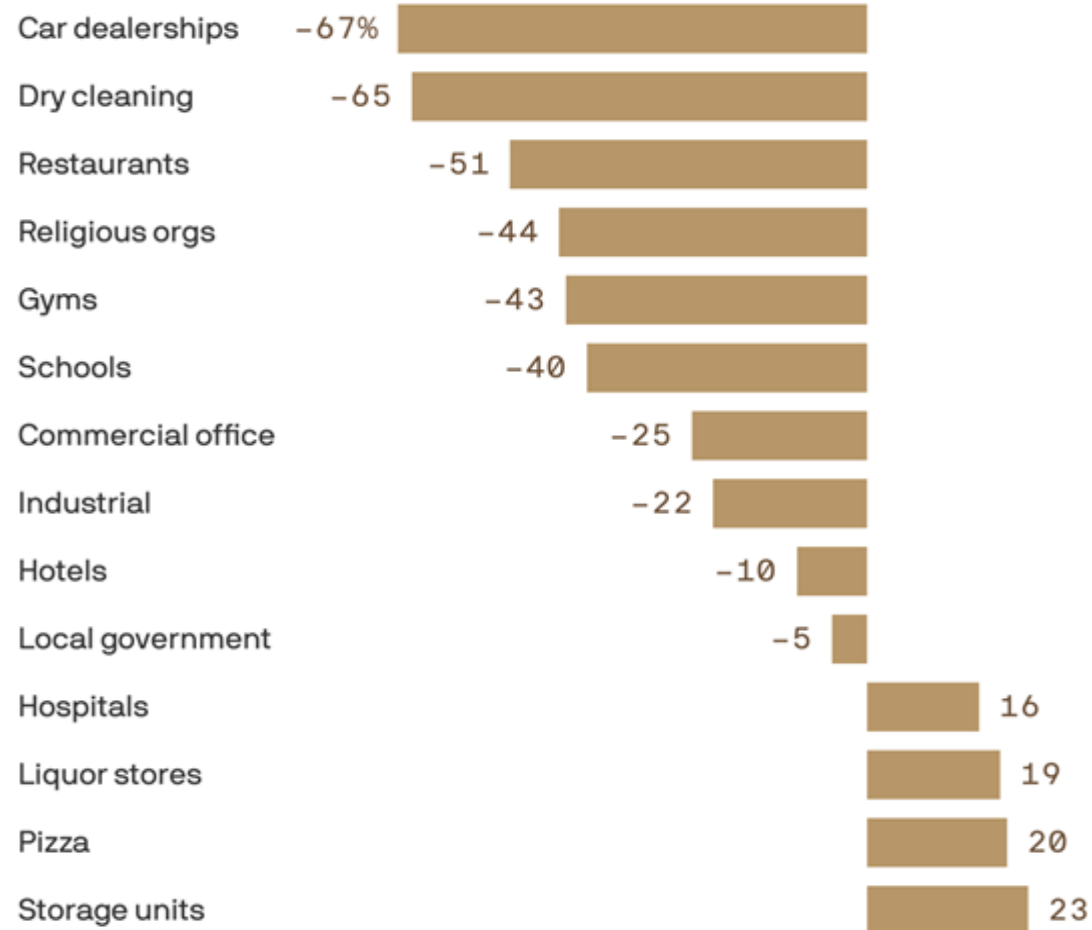
Next Steps

- Congress returns to Washington, D.C. May 4
- McConnell saying concerned about amount of spending
- Trump wants another round of checks to go out to individuals
- Some calling for direct payroll payments for salaries up to \$100k
- Questions about whether PPP will receive another round of funding
- Push for employer liability protection
- States, Locals will need funding

Where is the Demand for Energy?

Change in electricity consumption

Between first and fourth weeks of March; weighted average across four power grids



Data: Innowatts. (Data includes four power grids covering Northeast and Mid-Atlantic, Texas, Midwest and California. Retail is customer-facing stores excluding those deemed essential.)

Chart: Axios Visuals

Tell your story: Media Opportunities

- Receiving requests from major media regarding essential business designation and other issues
- Going through the associations to find members willing to speak to press
- Promoting member success stories online

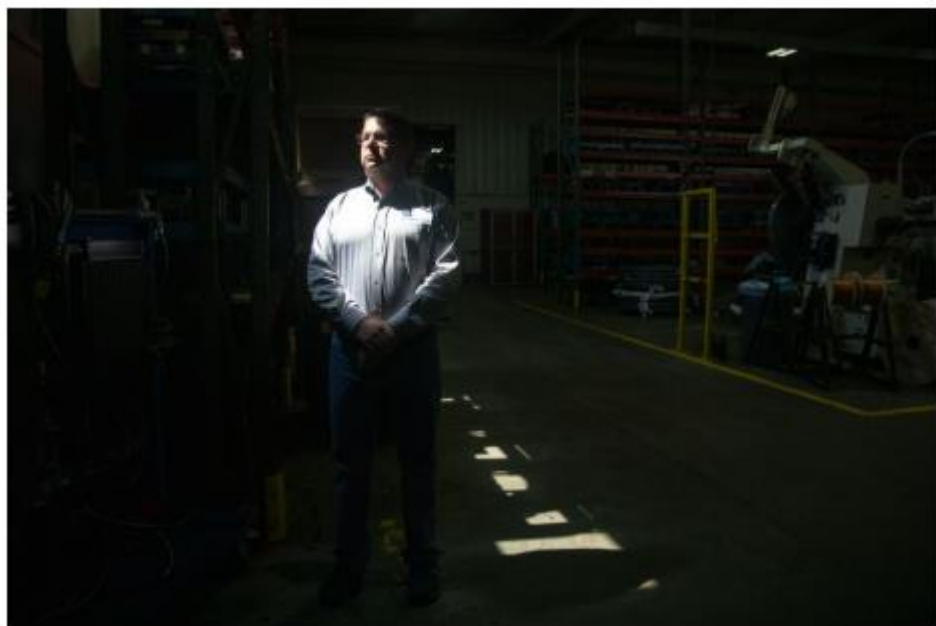


Bloomberg

One Tiny Manufacturer's Struggle Shows Just How Difficult Reopening the Economy Will Be

By [Gabrielle Coppola](#)

April 24, 2020, 6:00 AM EDT Updated on April 24, 2020, 8:55 AM EDT



Five minutes into a video conference with his management team about who to lay off at his auto-parts company, Jeff Aznavorian got good news.

His banker was calling: Aznavorian still had a shot at a loan under the Paycheck Protection Program for businesses hurt by the coronavirus pandemic. Employees of his third-generation company, Clips & Clamps Industries, might be spared.

But getting cash is just one of the many hurdles Aznavorian has to overcome as Detroit's automakers prepare to restart production after weeks of shutdowns. He needs hundreds of masks. Cleaning supplies are scarce. Customers are bombarding him with emails about how he'll prevent the virus's spread among his 52 workers.

"It's got me nervous about going back to work, but we've got to do it somehow," said Aznavorian, 46. "If we don't, there won't be a company to support those people anymore."

More Resources: www.onevoiceinfo.org

ONE VOICE COVID-19 RAPID RESPONSE WEBSITE

EMAIL:
ONEVOICE@POLICYRES.COM



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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

