COVID-19 Policy Action Plan Recommendations

The COVID-19 pandemic has created a crisis unlike anything America has ever faced, and manufacturers are calling for swift, bold action from Congress and federal agencies to ensure we contain the spread of COVID-19, keep manufacturing in America strong and ensure our nation’s economic resilience. Our leaders have listened to manufacturers and already enacted some of our proposals, and with the crisis growing, manufacturers are calling for additional reforms in the updated and expanded NAM COVID-19 Policy Action Plan Recommendations.

Manufacturers are committed to being part of the solution every step of the way. As NAM Board Chair and Chairman and CEO of Trane Technologies plc Mike Lamach has stated, “Manufacturers have a greater purpose than profits. We are also about protecting our people and our communities.” Across the country, manufacturers are mobilizing to protect our communities and our country. These government actions will enable the industry to respond the most effectively.

RECOGNIZE MANUFACTURERS’ CRITICAL ROLE IN THE COVID-19 RESPONSE

- Congress should establish a federal Manufacturing Resiliency Fund of at least $1.4 trillion to provide interest-free loans to manufacturers impacted by COVID-19, ensuring financial security for the nearly 13 million men and women who make things in America.
- The Administration should adopt a federal designation deeming manufacturers and their employees as “essential” to ensure the supply of critical products.
- Congress should incentivize airlines to expand cargo capacity and consider prioritizing medical cargo, including active ingredients, raw materials, work-in-process inventory and components, on remaining passenger flights and ongoing cargo flights.

PROTECT MANUFACTURERS FROM INSOLVENCY

- The IRS should delay all scheduled federal tax payments (including quarterly payments of estimated tax for all businesses) for 90 days by waiving interest and penalties that would otherwise apply.
- Congress should enact legislation that allows companies to defer taxation on income from loan modification, forgiveness or cancellation.
- Congress should enact legislation that reduces to 2018 levels the base erosion and anti-abuse tax.
- The Securities and Exchange Commission should finalize reforms that would expand the pool of “accredited investors” who can provide capital to manufacturers.
- The IRS should treat the impact of COVID-19 as an “economic loss” that allows the temporary suspension of employer contributions to certain retirement accounts.
- Congress should enact legislation suspending contributions to pension plans for at least calendar year 2020 and provide a period of years for employers to make catch-up contributions.
- Congress should enact legislation to extend “pension smoothing” permanently and increase the allowable corridor from 10% to 25%.
The IRS and Pension Benefit Guaranty Corporation should declare the COVID-19 pandemic a disaster, reducing burdens on plan sponsors.

ENSURE ECONOMIC SECURITY FOR MANUFACTURING WORKERS

- Federal and state lawmakers should work together to allow companies to pay a portion of wages to underemployed workers who may be receiving unemployment benefits.
- The IRS should adopt guidance treating early withdrawals from defined contribution plans as “hardship distributions” to provide financial flexibility to workers dealing with COVID-19.

REDUCE REGULATORY BURDENS

- The SEC should provide additional reporting flexibility for companies impacted by COVID-19.
- The Commerce Department should delay the rollout of proposed rules on Information and Communications Technology and Services supply chains and potential changes to de minimis and final product determination rules during this period of coronavirus response to avoid supply chain and economic disruption for manufacturers.
- Congress should incentivize states to expand telehealth services.

SET THE STAGE FOR ECONOMIC GROWTH

- Congress should approve a significant investment in our nation’s infrastructure that aligns with the NAM’s “Building to Win” blueprint, which calls for upgrades to our transportation, water, energy and digital infrastructure systems.
- The administration should formally suspend internal discussions regarding potential U.S. withdrawal from World Trade Organization agreements (e.g., the Government Procurement Agreement) or from the WTO generally, as such moves would create significant business uncertainty and operational disruption.
- Congress should increase funding to increase the capacity of existing export promotion programs at the U.S. Foreign Commercial Service and Small Business Administration to help manufacturers in the United States compete and win in the global marketplace.
- Congress should act to prevent a patchwork of state regulations that could impede the movement of freight across state lines and ensure essential rest facilities are open to support individuals on the front lines of maintaining interstate commerce.
- Congress should enact legislation to streamline requirements for the buildout of telecommunications infrastructure.

KEEPING OUR WORKFORCE SAFE AND HEALTHY

- Provide a tax credit for employers who continue to pay workers who are quarantined.
- Provide a tax credit for employers who continue to pay workers during periods that a business is forced to close temporarily.
- Enhance tax deductions for employers who invest in safety equipment, including handwashing stations, respiratory equipment and cleaning products.
- Provide protections to employers under medical privacy laws, the Americans with Disabilities Act and the Equal Opportunity Employment Act to allow businesses to inquire about employee health information relating to COVID-19 to ensure a safe workplace.
- Enact liability protection legislation that will allow businesses to require employees to engage in proper hygiene procedures.
Enact legislation to ensure employers who implement practices to reduce the risk of COVID-19 in the workplace are protected against frivolous litigation.

Require the Centers for Disease Control and Prevention to maintain a rotating stockpile of up-to-date personal protection equipment, including, but not limited to, respirators.

Ensure the Food and Drug Administration and CDC have the capabilities, resources and authority to further accelerate approvals of facilities and supply chains that provide medical and pharmaceutical sterilization services.

Release CDC guidance related to cleaning processes, plant closures and community quarantines so that businesses can act confidently according to clear rules.

Provide protections for workers who have exhausted their allotted leave time but who are required (either by government decree or company policy) to comply with CDC recommendations for themselves or their families.

PROTECTING OUR COMMUNITIES

Purchase and distribute to first responders up-to-date safety gear, including respirators and other protective equipment.

Implement a protocol for mass distribution of home testing kits for this and future dangerous contagions.

Appropriate funds to ensure individuals supporting the operation and maintenance of critical infrastructure are treated as first responders with priority for protective equipment.

Reauthorize the Chemical Facility Anti-Terrorism Standards program to ensure security of biomedical labs, research facilities and high-risk facilities.

PROVIDING ECONOMIC STABILITY

Encourage banking regulators, such as the Federal Reserve and the Office of the Comptroller of the Currency, to support leniency from financial institutions regarding the credit conditions of small and medium-sized businesses facing short-term challenges, including offering extended grace periods and short-term loans.

Reject legislation and regulatory actions that would impose price controls on vaccines, which will disrupt research and development of vaccines.

Enact liability protection to manufacturers of respirators recommended by the CDC to keep health workers safe.

Convene an interagency task force (including the Departments of Commerce, Health and Human Services, Homeland Security and others as needed) to provide a clear administration policy and procedure to ensure the safety of cargo imported from coronavirus-affected areas into the United States.

Convene an interagency task force (including the Departments of Commerce, Health and Human Services, Homeland Security and others as needed) to provide a clear administration policy and procedure to ensure the safety of cargo exported from the United States to coronavirus-affected areas.

Halt sales of crude oil from the Strategic Petroleum Reserve to ensure that Americans have sufficient resources in the event of a supply disruption.

ENCOURAGING RESILIENT GROWTH IN THE UNITED STATES

Establish a government fund to promote geographic diversity and resiliency in the manufacturing supply chain.

Create a new tax credit to support the onshoring of manufacturing activities.

Enact legislation that retroactively allows businesses to use tax losses to offset income from prior years.

Direct the General Services Administration to open the federal government’s portfolio of surplus and underutilized real property to companies that onshore.
Pass legislation to prevent scheduled tax law changes from going into effect that would increase the cost of performing R&D.

Pass legislation to prevent scheduled tax law changes from going into effect that would increase the cost of obtaining a business loan.

ENCOURAGING LONG-TERM JOB GROWTH

Accelerate negotiations on a binding “phase two” China trade agreement to improve trade certainty.

Develop a targeted list of products for which Section 301 tariffs and retaliatory tariffs can be suspended or removed to spur economic growth and job creation; in the interim, credit the tariffs being paid back to the companies affected.

Create a White House–led interagency initiative to identify and reduce trade and regulatory barriers to U.S. exports of products used in a pandemic response.

Work with foreign governments to open procurement opportunities related to critical health care products to U.S. companies.

Implement temporary duty waivers and expedited entry procedures to facilitate cross-border trade in health care items.

Extend critical tariff relief programs, such as the Miscellaneous Tariff Bill and the Generalized System of Preferences, to allow import of components used in U.S. manufacturing of coronavirus-needed products.

Negotiate with other countries to reduce tariffs on products needed for a pandemic response.