

Energy and Resources Policy:

- **Energy Innovation**

- Passes the Energy Act, featuring 37 major consensus provisions from the Senate's American Energy Innovation Act (S. 2657) and the House's Clean Economy Innovation and Jobs Act (H.R. 4447). It stands to become the first comprehensive modernization of our nation's energy policies in 13 years. This bipartisan package will foster innovation across the board on a range of technologies that are critical to our energy and national security, our long-term economic competitiveness, and the protection of our environment.

Takeaway: The major package focuses on energy storage; advanced nuclear; carbon capture, utilization and storage; carbon removal; renewable energy; critical minerals and materials; fusion; industrial technologies; smart manufacturing; and grid modernization, among other areas. It reauthorizes popular, proven-effective programs like ARPA-E and Weatherization Assistance.

- **Sustainability Solutions:**

- Includes a breakthrough deal to phase down hydrofluorocarbons (HFCs)—potent greenhouse gases commonly used in refrigeration systems, while preserving exclusions for essential uses without replacements. Joining the global effort means a full half-a-degree in avoided warming and empowers American manufacturers to lead on emissions reductions.
- Creates CITA—a major new R&D program through the DOE to drive the breakthrough technologies of tomorrow that will enable industrial decarbonization.

Takeaway: New programs included make a pragmatic down-payment on the technologies to reduce greenhouse gas emissions in the power sector, industry, and buildings—addressing this issue in a real way and on a scale never done before—while keeping American energy affordable and globally competitive.

Infrastructure, Innovation and Human Resources Policy

- **Broadband:**

- Funds upgrades to our digital infrastructure and improvements to broadband access, including support for underserved and rural populations, as well as the creation of a temporary program to support families facing economic hardship due to COVID-19.
- Funds broadband mapping efforts to collect data on the availability of broadband across the country to guide the government's ability to target federal resources to areas that need it most.
- Funds additional support for telehealth by extending the FCC's telehealth program included in the CARES Act and allocating \$250 million.

- **Transportation:**

- Incorporates the bipartisan the bipartisan Water Resources Development Act, which provides a two-year authorization for ports, inland waterways and important water infrastructure investments. The measure provides access to funds in the Harbor Maintenance Trust Fund for critical dredging and port projects and includes an important cost-share adjustment for inland waterway projects.
- Includes \$10 billion for state DOTs to replace shortfalls as a result of the coronavirus.

- **Reopening America Provisions COVID WINS:**

- Funds "Reopening of America" provisions, including
 - \$20 billion for the purchase of vaccines that will make the vaccine available at no charge for anyone who needs it;
 - \$8 billion for vaccine distribution;
 - \$20 billion to assist states with testing; and
 - a \$20 billion distribution from existing provider relief fund.

- **Unemployment**

- Gives workers on unemployment \$300 per week on top of traditional state benefits. Eligibility remains the same as under the CARES Act, but there are new identification requirements and employers can notify a state if a worker refuses to return to work without good cause. Independent contractors, gig workers and those not traditionally eligible for

- unemployment insurance are eligible under Pandemic Unemployment Assistance program. Benefits expire March 14, 2021.
- Covers 50% of the costs of unemployment benefits for employees of state and local governments and nonprofit organizations.
- Includes 100% reimbursement of work-share/short-time compensation.

- **Innovation**
 - Requires a series of studies to advance progress and American competitiveness in emerging technologies, including artificial intelligence, quantum computing and the internet of things in manufacturing.

- **Childcare**
 - \$10 billion for Childcare and Development Block Grants to provide immediate assistance to childcare providers

- **Federal Contractors**
 - Federal agencies can reimburse contractors for paid leave provided to employees or if the company is forced to close due to COVID.

Tax and Domestic Economic Policy

Paycheck Protection Program

- Reauthorizes the PPP with \$284 billion in new funding, extending the program through March 31, 2021.
- Permits deductibility of business expenses paid with PPP funds.
- Grants businesses flexibility to choose a “covered period” of any duration between 8 and 24 weeks to spend their loan funds.
- Creates new categories of expenses to the list of allowable uses of PPP funds, including worker protections (e.g., PPE), operational expenses and supplier costs.
- Enables PPP second-draw loans of up to \$2 million for businesses with fewer than 300 employees that experienced a quarterly revenue loss of more than 25% in 2020 as compared to the same quarter in 2019.
- Provides simplified loan forgiveness application for loans of less than \$150,000.

Extension and Expansion of CARES Act's Employee Retention Tax Credit

- Extends and expands the CARES Act refundable payroll tax credit for “eligible employers” affected by COVID-19 through June 30, 2021 (the credit percentage is increased from 50% to 70%).
- Increases the qualifying wages per employee from \$10,000 for the year to \$10,000 per quarter and increases the full-time employee threshold from 100 to 500.
- Changes the gross receipts test from a 50% quarterly decline when compared to the prior-year quarter to a 20% decline.
- Permits employers to claim the credit and participate in the PPP but with restrictions to essentially prevent double dipping.
- Codifies IRS guidance stating health plan expenses can be counted as qualified wages when employers pay no other wages (e.g., furloughed workers who continue to get health care).
- Makes new employers eligible for the credit.

Tax Extenders

- Extends or makes permanent a number of expiring tax provisions. Of note for NAM members:
 - Permanent extension of excise tax relief for beer, wine and spirits.
 - Five-year extension of “CFC Look-Through.”
 - Allows American companies to redeploy capital from active foreign business operations among their foreign subsidiaries, without incurring additional tax costs. Extension ensures that manufacturers with global operations can compete on a level playing field.
 - One-year extension of the Health Coverage Tax Credit that applies to health insurance costs for certain taxpayers (e.g., those receiving TAA allowances).

Extended Repayment Period for Payroll Tax Deferral

- Gives workers who have deferred their share of the payroll tax (pursuant to the August executive order) until December 2021 to pay back the tax, rather than the original April 2021 deadline. Interest and penalties will begin to accrue starting on Jan. 1, 2022.

Extension of FFCRA Paid Sick Family and Medical Leave Tax Credits

- Extends the Families First Coronavirus Response Act's temporary, refundable tax credit for small and medium-sized employers providing required paid leave through March 31, 2021 (employer mandates extended through March 2021).
WIN

Enhanced Business Meals Deduction

- Increases the current 50% deduction for meals to 100% for 2021 and 2022.

Federal Reserve Provisions

- Institutes significant limits on the Fed's ability to bolster the economy in response to the pandemic. The NAM would have preferred that Congress not sunset the existing Fed facilities nor tie the Fed's hands going forward.
 - Immediately rescinds \$429 billion in unused funds from CARES Act facilities; further rescinds any other unused funds as of January 9, 2021.
 - Zeroes out the CARES Act's appropriations to airlines, air cargo carriers, and national security businesses and to the Treasury Exchange
 - Stabilization Fund except to the extent that funds are spent prior to December 31, 2020.
 - Prohibits the Fed from making new investments, loans, or loan guarantees via CARES Act facilities after December 31, 2020.
 - Prohibits Treasury from reestablishing any facilities (except the TALF) that were established with CARES Act funds or modifying the terms and conditions of said facilities.

Anti-Counterfeiting Measures

- Passes the Countering Online Harms Act (H.R. 6937), which requires the Federal Trade Commission to report on how AI may be used to address online harms, including the sale of counterfeit products.
- Increases Consumer Product Safety Commission personnel at ports of entry to protect against unsafe or counterfeit consumer products entering the United States. CPSC Port Inspection Enhancement, restores CPSC personnel to U.S. ports to protect against unsafe or counterfeit consumer products entering the United States.
- Passes the COVID-19 Consumer Protection Act, which empowers the FTC to take enforcement action against scammers and bad actors exploiting the pandemic.
- Includes the Countering Online Harms provision to require the FTC to report on how AI may be used to address online harms, including the sale of counterfeit products.

International Economic Affairs

- Includes technical corrections to the United States–Mexico–Canada Agreement, notably the Merchandise Processing Fix.