

**AEM** 

Association of  
Equipment Manufacturers



# 2022 Policy Priorities



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The equipment manufacturing industry supports one in eight manufacturing jobs in the United States.

The 2.8 million hardworking men and women of our industry make the equipment that builds, powers, and feeds the world. They rely on the right policies at every level—local, state, and national—and the Association of Equipment Manufacturers works to advance bipartisan, solutions to many of the country's toughest challenges.

While a combine harvester cutting corn or an excavator digging a foundation is a common sight for many Americans, they may not realize what that equipment means to the hardworking Americans who build it and the impact that the equipment manufacturing industry has on communities across America every day. Whether it is the welder controlling a robotic welding machine or the software

engineer designing the controls for a new wheel loader, there are millions of jobs and opportunities created by the equipment manufacturing industry.

In this booklet, you will find an overview of the equipment manufacturing industry's policy agenda for 2022. These are not the only issues that the Association of Equipment Manufacturers will engage on this year, but these are the issue areas where we will focus our efforts to support our industry, strengthen our economy, and improve the lives of all Americans.

**We look forward to working with you.**



**Megan Tanel**

President  
Association of Equipment Manufacturers

# Infrastructure

Ensure the industry’s long-term economic growth and competitiveness by rebuilding and modernizing our nation’s infrastructure.



## **Implement the Infrastructure Investment and Jobs Act (IIJA)**

Advance an effective and transparent implementation of the *IIJA* in bipartisan cooperation between federal, state, and local governments.

Secure investment levels authorized in the *Infrastructure Investment and Jobs Act* in the annual appropriations process.

Ensure investment parity among urban, rural, and suburban communities.



## **Secure long-term, dedicated funding sources for the Highway Trust Fund**

Forge bipartisan solutions that leverage a variety of “user pay” models to permanently address the long-term solvency of the Highway Trust Fund.



## **Support the needs of the infrastructure workforce**

Enact a grant program that supports workforce development and apprenticeships for infrastructure industries including transportation, construction, energy, information technology, and utilities.



## **Invest in America’s water infrastructure**

Reauthorize the biennial Water Resources Development Act and ensure *WRDA 2022* continues to direct water resource trust fund revenues towards their designated use, streamlines environmental approval processes, and incentivizes digital construction technologies.

# Trade

Support free and fair-trade policies and agreements that keep the industry strong, and the 2.8 million men and women of the industry employed.



## Bolster supply chain resiliency

Preserve and fully implement the Phase One Agreement and partner with U.S. allies and trading partners to press for further structural reforms in China.

Ensure that suppliers to public works and federal government projects can deliver on their materials and/or products as part of the *Infrastructure Investment and Jobs Act*.

Support legislation bolstering critical supply chain resiliency and domestic semiconductor production such as the bipartisan *CHIPS for America Act*.

Promote federal funding that incentivizes research and development of next generation technologies critical to U.S. manufacturing.



## Improve relationships with global trading partners

Negotiate solutions to long-standing trade issues with China, de-escalate economic tensions, and remove tariffs on goods needed in U.S. manufacturing.

Reengage trading partners and secure bilateral and multilateral trade agreements that expand market access for U.S. goods and services while strengthening international trade rules.



## Curb the misuse of tariffs and other protectionist policies

Enact bipartisan legislation to ensure that future Section 232 actions are taken only in cases of legitimate national security concerns, preserving this important tool while also boosting transparency and accountability in the Section 232 process.

Ensure *Buy America(n)* provisions do not subject U.S. firms to retaliatory sanctions in other markets, jeopardizing our ability to open other foreign government procurement markets to U.S. goods and services.

Create an exclusion process for all items subjected to the China 301 tariffs so U.S. manufacturers can request tariff exclusions on critically needed products not available domestically.

# Rural America

Fight for a strong and diverse agricultural economy to help farmers and ranchers succeed and strengthen rural communities across the country.



**Support the increased adoption of precision agriculture technologies**

Support policies that facilitate the accelerated deployment of broadband across rural America — including rangeland and cropland, where wireless connectivity is essential to precision agriculture.

Enact a loan program to provide dedicated financing to help producers purchase precision agriculture equipment.

Implement the recommendations of the Federal Communication Commission's Precision Agriculture Task Force.



**Provide economic certainty for farmers and ranchers**

Advocate for policies that help farmers and ranchers manage risk by ensuring an adequate safety net is in place through programs like crop insurance.

Advance and protect policies like the *Renewable Fuel Standard*, which support and expand the production and use of agricultural-based fuel.

Ensure trade policies enhance access to foreign markets for farmers and ranchers, not restrict them.




**Invest in rural infrastructure upgrades**

Increase funding and grant opportunities for rural roads and bridges.

Advocate for policies that will facilitate increased investment in inland waterways, locks, dams, water and wastewater infrastructure, and rail.

# Workforce Development

Reduce the skills gap, end misperceptions about modern equipment manufacturing and create a pipeline of skilled workers to meet the needs of the 21st century economy.




**Support employers seeking talent to hire, train, and retain workers**

- Expand Pell Grant eligibility to high-quality short-term programs.
- Include workforce development provisions in infrastructure reauthorization legislation.
- Expand tax credits for employers that provide training to employees.



**Reauthorize and expand the Workforce Innovation and Opportunity Act (WIOA)**

- Increase funding for WIOA to provide workers who have been displaced or are underemployed as result of the ongoing COVID-19 pandemic with access to skills-based training and education.
- Expand WIOA programs to provide broader access to programs and additional support so that barriers like childcare and transportation costs don't prevent individuals from attaining skills and credentials.



**Modernize the Registered Apprenticeship Program**

- Create an apprenticeship system that is flexible, easy to use, and streamlined for employers.
- Include provisions that would embrace and support alternative approaches to the apprenticeship model.
- Establish a national model that provides reciprocity between states and between programs approved and registered with the U.S. Department of Labor.

# Tax

Support tax and fiscal policies that promote innovation and create more opportunity for equipment manufacturers and the 2.8 million men and women of the industry.



## Maintain a reliable, consistent, and competitive tax code

Recognize the significance of tax reform to growing the economy and encouraging U.S. investment and build on that progress rather than roll it back.

Improve and make permanent the pro-growth provisions in the tax code that are set to expire.

Continually reassess the competitiveness of our tax system.



## Oppose sweeping tax increases on equipment manufacturers

Oppose any increase in taxes on the foreign earnings of U.S. companies, which would put equipment manufacturers — who support 2.8 million jobs — at a severe disadvantage compared to their foreign competitors, none of whom pay a minimum tax on foreign earnings now and will for many years, if at all.

Oppose book minimum tax and the provisions on interest deductibility, which would dramatically undermine investment in the United States at a time when the U.S. needs to spur private sector investment to keep pace with competitors abroad.

Oppose new limitation on interest deductibility for globally engaged businesses, which would reduce domestic investment by effectively raising the cost of borrowing and could lead to double taxation through the intersection with international tax provisions.



## Enhance incentives for research and development and capital investment

Restore immediate R&D expensing to incentivize long-term investments in innovation and technological breakthroughs by providing equipment manufacturers an opportunity to deduct research and development activities in the tax year that they occur.

Ensure that key incentives for capital equipment purchases remain in the tax code.



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