March 25, 2020

AEM recognizes the immense impact that the current COVID-19 pandemic is having on our member companies, their employees, suppliers and customers, as well as partner sectors such as agriculture and construction. We are working closely with the U.S. Congress, the Trump Administration, and state and local governments to make sure they take the necessary legislative and administrative steps to mitigate the harm that the crisis is having on equipment manufacturers. Our top priority is focused on ensuring the health and safety of our member companies, their employees, our staff, and our partners.

Here are some of the latest developments:

**Vice President Pence Addresses AEM Board of Directors**
Vice President Mike Pence called in to AEM’s Board of Directors Meeting this morning to deliver an update on the work done by the White House Coronavirus Task Force and to thank equipment manufacturers for their response to the pandemic. The Vice President acknowledged equipment manufacturers that have offered to re-tool their operations to support the critical manufacturing efforts, and thanked the industry for its leadership and for embracing CDC guidelines to keep their employees and communities healthy and safe. Further guidance will be distributed soon.

The Vice President urged the association’s member companies to offer the supplies and equipment they might have in storage or be able to produce or deliver to aid in the COVID-19 response effort. A list of helpful links can be found on the [FEMA website](https://www.medicalcountermeasures.gov/Request-BARDA-TechWatch-Meeting/).

Additionally, many of you have asked about development of new products. The Biomedical Advanced Research and Development Authority (BARDA), a component of the HHS Assistant Secretary of Preparedness and Response (ASPR), is supporting U.S. government market research to identify medical countermeasures with the potential to help address the COVID-19 outbreak. If your company is developing diagnostics, therapeutics, vaccines, or other products, submit your ideas to BARDA's online portals:

https://www.medicalcountermeasures.gov/Request-BARDA-TechWatch-Meeting/

https://www.phe.gov/emergency/events/COVID19/Pages/default.aspx

Finally, the Vice President asked that each of AEM's member companies share President Trump’s [Coronavirus Guidelines for America](https://www.phe.gov/emergency/events/COVID19/Pages/default.aspx). It is critically important that we spread this message far and wide.

**“Phase Three” COVID-19 Legislation**
Congressional negotiators reached a bipartisan agreement (the CARES Act) early this morning on a nearly $2 trillion emergency relief package in response to the COVID-19 pandemic. The U.S. Senate is expected to vote on the bill today, sending it on to the U.S. House for consideration tomorrow assuming no lawmaker objects. Below is an initial overview by AEM staff of key appropriations provisions that impact equipment manufacturers. AEM staff provide an in-depth analysis once the final legislative text of the CARES Act once it becomes available.

Department of Agriculture:
• $14 billion in borrowing authority for the Commodity Credit Corporation (CCC). AEM joined a letter earlier this week to Congressional leadership urging an expansion and replenishment of USDA’s borrowing authority under the CCC. This will enable another round of Market Facilitation Payments to help with the cash flow of farmers and ranchers as they deal with challenges presented by the COVID-19 pandemic and ensure they have access to the equipment and related inputs they need.

• $20.5 million to allow for the Rural Business Cooperative Service to make $1 billion in lending authority available for loan guarantee program

• $100 million in grants for the ReConnect Program to provide rural broadband (includes cost of construction, improvement, or acquisition of facilities and equipment needed to provide service in eligible rural areas)

• $25 million for the Distance Learning, Telemedicine, and Broadband programs

• $9.5 billion to assist specialty crop producers; producers who support local foods systems such as farmers markets, schools, and restaurants; and livestock producers, including dairy

• $25.06 billion for food and nutrition programs like CNP, SNAP, and the Emergency Food Assistance Program

Departments of Commerce, Justice, Science and Related Agencies:

• $1.5 billion for economic development grants to states

• $50 million for Manufacturing Extension Partnership (MEP) to help small- and medium-sized manufacturers recover from the economic impacts of COVID-19

Energy and Water Development, and Related Agencies:

• $50 million to the Army Corps of Engineers to ensure that operation of Corps projects across the country continue such as U.S. locks and dams, canals, and a wide range of public works programs vital to the transportation of goods such as agricultural commodities.

Financial Services and General Government:

• $562 million for the Disaster Loans Program - this is in addition to $350 billion authorized for 100 % guaranteed, partially forgivable SBA loans, $10 billion in direct grants for businesses that do not qualify for Economic Injury Disaster Loans, and $17 billion for six months of principle and loan payments for all SBA backed business loans contained elsewhere in the legislation.

Departments of Labor, Health and Human Services, Education And Related Agencies:

• $360 million for the Department of Labor to invest in programs that provide training and supportive services for dislocated workers, seniors, migrant farmworkers, and homeless veterans.

• $1 billion for Community Services Block Grant to help communities address the consequences of increasing unemployment and economic disruption.

Departments of Transportation and Housing:

• $10 billion for the Airport Improvement Program (AIP) to maintain operations at U.S. airports and shore up other available funding for capital projects and programs, including facility construction projects, that are already underway. AEM joined a letter last week to Congressional leadership urging this additional authorization for airports to mitigate the adverse effects of COVID-19 has had on the aviation industry.

• $56 million for Essential Air Service (EAS)

• $25 billion for Transit Infrastructure Grants

• $1.018 billion for Amtrak

• $6 million for DOT administrative expenses $5 million for DOT Inspector General

As we mentioned above, additional details and analysis will be included in tomorrow’s update. In the meantime, if you have any questions please do not hesitate to reach out to AEM staff.

No Tariff Relief in Sight
Last week, AEM joined 160 other trade associations and business groups to urge the White House to provide for tax relief to Americans by suspending billions of dollars in protectionist tariffs. And today the Coalition of American Metal Manufacturers and Users called on the Trump Administration to “immediately terminate the Section 232 steel and aluminum tariffs to help U.S. manufacturers during this time of unprecedented crisis caused by the COVID-19 pandemic.” Despite the growing calls for tariff relief, a White House official reportedly stated that “The President has said there is no need for tariff relief. This is not something on the table.” AEM will continue to advocate for the suspension and removal of tariffs.

State Activities
AEM has been monitoring activities taken by Governors as they continue to issue closure orders and other guidance, and we are in close contact with their staff to make the case that our industry should be deemed “essential.” Today, we have key updates in Kansas, Kentucky, Mississippi, Maine, Oklahoma and Vermont. We also have some updates for New Jersey, and Pennsylvania. For information on other states please visit www.aem.org/covid-19-information-and-resources.

On March 24, the Department of Homeland Security made a key update to the CISA guidance for critical manufacturing, defining the “workers needed to maintain the continuity of these manufacturing functions and associated supply chains” as part of the critical infrastructure sector.

Kansas
Kansas Governor Laura Kelly issued an order prohibiting all gatherings or more than 10 people. The order provides broad exemptions for “manufacturing, processing, distribution, and production facilities.”

Governor Kelly also issued an order prohibiting local jurisdictions from issuing their own shelter-in-place order if it does not provide adequate exemptions for the Kansas Essential Functions Framework (KEFF). The order defines KEFF as a framework for identify critical functions that must continue during a “stay at home” order, and has four main pillars: Connect, Distribute, Manage, and Supply. The Governors offices notes it developed KEFF with reference to Federal critical function guidelines, and its definitions mirror CISA guidance.

Kentucky
Kentucky Governor Andy Beshear announced he would be ordering all non-life-sustaining businesses to close any in-person service, effective March 26, at 8:00pm. The Governor said more guidance would be published on Wednesday, but indicated those covered under DHS’s CISA guidance for critical infrastructure, would be allowed to continue operations.

Maine
Maine Governor Janet Mills has ordered all non-essential businesses to close, and continued her order prohibiting gatherings or more than 10 people, effective March 25 through April 8. The Governor’s order adopts the DHS’s CISA guidance in defining essential businesses and operations. The Governor’s office published additional definitions on what businesses can continue to operate. If you believe your business is essential, but is not listed above, the Governors office has an online form to request designation as essential business. If you have more questions, please contact the Governor’s office at business.answers@maine.gov.

Minnesota
Minnesota Governor Tim Walz issued an Executive Order ordering all residents to stay at home, and the closure of all non-essential businesses, effective March 27 through April 10. The Governors order adopts DHS’s CISA guidance on critical manufacturing and other essential businesses. The order requires exempted businesses to adhere to Department of Health and CDC guidelines on social distancing. If you have any questions, the Governor has set up a website mn.gov/stayhomemn to answer any questions.
Mississippi
Mississippi Governor Tate Reeves ordered all non-essential to close and prohibited all mass gatherings greater than 10 people, until April 17. The Governor’s order defines essential businesses very broadly, and notes that any industry not directly listed but covered by DHS’s CISA guidance is allowed to continue. The order allows the Mississippi Department of Health, Emergency Management Agency, and or other departments to designate other industries as essential.

New Jersey
New Jersey Governor Phil Murphy ordered (Executive Order No. 107) all residents to stay home, unless reporting to work, and the closure of all non-essential retail businesses, effective Saturday, March 21 at 9:00pm ET. On March 25, Governor Phil Murphy expanded the definition of essential businesses allowed to operate to include farm equipment stores.

Oklahoma
Oklahoma Governor Kevin Stitt issued a stay at home order for all residents, and closed all non-essential businesses. The Governor’s order exempts businesses that fall under the DHS’s CISA guidance of critical. The Governor also published further guidance that adds healthcare manufactures and distributors to the list of exempted businesses.

Pennsylvania
On March 25, the Governor expanded his earlier to include residents of Erie, Lehigh, and Northampton Counties. This in order to residents of Allegheny, Bucks, Chester, Delaware, Monroe, Montgomery, and Philadelphia counties. The order still allows life-sustaining businesses, as defined by the Governor’s earlier order, to operate, and residents can commute to and from work. The Department of Health has provided additional guidance for residents of those counties.

Governor Wolf and the Department of Community and Economic Development (DCED) continues to issue updated guidance on what businesses are essential (last updated March 24, 2020).

Vermont
Vermont Governor Phil Scott issued a stay at home order, and closure of all non-critical businesses, effective March 25, until April 15. The order exempts critical manufacturing from the closure order, but takes a narrower view in what manufactures are allowed to continue. The order defines critical manufacturing as “food and animal feed manufacturing, processing and supply, pharmaceuticals and other manufacturing necessary to support the COVID-19 response as well as economic and national security.” The order only allows construction projects to continue if they are “necessary to support the COVID-19 response and maintain critical infrastructure”

The other charges the Vermont Agency of Commerce and Community Development (ACCD) to develop additional guidance on what other businesses should be defined as critical to economic and national security (Section 7). Once the ACCD develops the guidance, the order will allow businesses to request an exemption from the order.

Canada Activities
The federal government has passed its COVID-19 Emergency Response Act. The legislation, after an all-night session of negotiation with opposition parties, was adopted by the House of Commons and Senate today. The legislation features a series of measures providing the government with additional spending powers, and builds upon a number of measures already announced. A number of the initiatives of greatest interest to AEM members and their employees are listed below.

For employees:
• Introducing a one-time additional payment under the GST/HST tax credit.
• Providing temporary increases to the Canada Child Benefit.

• Establishing the Canada Emergency Response Benefit. This taxable benefit would provide $2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic.

• Amending the Canada Labour Code to create a regime which provides for a leave related to COVID-19 of up to 16 weeks.

• For individuals, the Canada Revenue Agency has deferred the return filing due date until June 1, 2020.

For employers:

• Providing eligible small employers a temporary wage subsidy for a period of three months.

• Extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks.

• Increases and broadens the ability of Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) to provide more than $10 billion in additional support through the Business Credit Availability Program.

• Farm Credit Canada (FCC) has received an enhancement to its capital base that will allow for an additional $5 billion in lending capacity.

• For businesses, the Canada Revenue Agency has extended the deadline for businesses to pay any income tax amounts that become owing or due after March 18, 2020 and before September 1, 2020 to September 1, 2020.

The Minister of Finance, Bill Morneau, has suggested that the Canada Emergency Response Benefit will help businesses keep their employees, while ensuring they preserve the ability to quickly resume operations as soon as it becomes possible. The new benefit would be available for 4 months, and the government expects to begin accepting applications on April 6.

The Minister of Health, Patty Hajdu, has announced that travellers entering Canada will now face mandatory isolation for 14 days, beginning tonight at midnight, unless they are considered essential workers (eg: truckers or health professionals). While the details of enforcement remain unclear, those who do not obey the directive could face fines or jail time.

The Minister of Small Business, Export Promotion and International Trade, Mary Ng, alongside a number of international partners, issued a statement reiterating Canada’s commitment to facilitate the cross-border movement of goods, services and people by maintaining open and connected supply chains throughout the pandemic.

Ontario has launched a toll-free line 1-888-444-3659 to provide support to Ontario businesses who have questions about the province’s recent emergency order to close at-risk workplaces. The province is set to provide a financial update from the Minister of Finance, Rod Phillips, at 4pm today. AEM will be closely tracking the announcement for elements of interest to members.

Nova Scotia has listed manufacturing as an essential group that is exempt from the province’s gathering limits, with the caveat that they must still maintain social distancing and follow public health protocols.

New Brunswick is banning all unnecessary travel into the province, and Interprovincial travellers, like international travellers, will need to self-isolate for 14 days.

Prince Edward Island is providing $100 Sobeys cards to employees laid off due to the COVID-19 outbreak. The province has also listed industrial manufacturers as essential services.

Manitoba has stated that none of its existing public health orders are specific to manufacturers. Manufacturers in the province can have more than 50 employees in a space. The current public health orders limiting the number of people in a space is specific to public gatherings.

Visit AEM’s COVID-19 page for our complete set of resources and information.
As always, if you have any questions, need assistance with a specific issue, or would like to share how the unfolding COVID-19 pandemic is impacting your business, please do not hesitate to reach out to me at keideberg@aem.org.

Best,
-Kip

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