

## Our Successes: One Voice Leading the Way

### **R&D, 179 Made Permanent; Bonus Depreciation Extended Through 2019**

In a major lobbying victory for One Voice, on December 18, 2015, President Obama signed into law a bill making permanent the R&D Tax Credit at 14 percent and Section 179 Equipment Expensing at \$500,000 indexed for inflation while extending Bonus Depreciation through 2019. In addition, the law allows businesses to claim the provisions in lieu of the Alternative Minimum Tax (AMT). This is a particularly important success for One Voice members, of which in 2015, 91% said they used Bonus Depreciation, 92% benefited from Section 179, and more than half claimed R&D. For the first time since the 1980's, manufacturers have some stability in the tax code, allowing businesses to invest with confidence that these provisions will not continue to expire each year.

### **One Voice Files Comments on New Workforce Innovation Law**

One Voice filed comments with the U.S. Department of Labor regarding the government's implementation of the Workforce Innovation and Opportunity Act (WIOA). One Voice strongly endorsed WIOA, which updates the Workforce Investment Act (WIA) of 1998, by eliminating 15 outdated programs, encouraging the use of industry recognized skills certifications, and providing a greater role for businesses in implementing workforce programs locally. In the comments, One Voice requested flexibility in the structure and composition of the Workforce Investment Boards (WIB) and design of training and apprenticeship programs. DoL is interpreting the law in ways that could dilute the role of small businesses, increase union influence, and exclude businesses using non-registered apprenticeship programs. In 2015, 77 percent of One Voice members reported having skilled job openings.

### **Health Care Victory: Medical Device, "Cadillac" Taxes Delayed**

One Voice succeeded in helping U.S. medical device manufacturers by delaying the 2.3 percent tax imposed under the Affordable Care Act (ACA). The Associations worked with a broad bipartisan coalition on Capitol Hill to repeal the provision included in 2010 to help pay for the new health care law. While the President threatened to veto a full elimination of the tax, negotiators succeeded in a two-year suspension for 2016 and 2017. This will allow One Voice additional time to seek a repeal of this burdensome and costly tax on America's medical device manufacturers. In addition, One Voice succeed in delaying for two years the so-called "Cadillac Tax," imposed on health care plans exceeding \$10,200 per individual and \$27,500 per family annually. This victory provides relief to the 20 percent of One Voice members who reported in 2015 their current plans exceed the Cadillac Tax threshold.

### **National Manufacturing Strategy, Innovation Bill Becomes Law**

As part of a \$1.1 trillion FY 2015 spending package, Congress passed two critical provisions long supported by One Voice members to create a manufacturing strategy and promote innovation. Negotiators included the Revitalizing American Manufacturing and Innovation (RAMI) Act in the massive spending measure, which requires the federal government to develop a National Strategic Plan for Advanced Manufacturing. The U.S. is one of the few industrialized nations without a comprehensive manufacturing strategy. RAMI also creates regional manufacturing innovation centers, which will develop partnerships among businesses, researchers, and educators to explore the latest technologies in manufacturing.

### **One Voice Files Comments Opposing 113 percent Overtime Wage Threshold Increase**

One Voice filed official comments opposing the Labor Department's proposed rule to expand the number of workers eligible for overtime by roughly 5 million, mostly "white collar," workers starting in 2016. The proposal raises the overtime exemption wage to \$50,440 per year or \$970 per week for Executive, Administrative, Professional & Clerical Employees (EAP). This one size fits all approach applies to all states without factoring in regional pay differences. It also indexes the overtime exemption at a rate with roughly 10 percent annual increases in addition to raising the exemption threshold for highly compensated

workers from \$100,000 to \$122,148. The new threshold will take effect next summer and the Department is proposing to increase the threshold *annually*, which will crush HR departments.

### **Court Sides with One Voice, Blocks Waters of the U.S.**

In October, an Ohio court halted implementation across the country of a regulation expanding the federal government's jurisdiction over inland waterways from 3.5 million miles to over 8 million. The EPA finalized the new rule, known as Waters of the U.S., expanding the federal government's jurisdiction over inland waterways from 3.5 million miles to 8 million. Under the "Waters of the U.S." rule, the EPA may consider industrial ditches as "tributaries," leading to costly maintenance activities, and expensive and time-consuming dredge and fill permits. The change also affects stormwater retention ponds, fire ponds, and on-site impoundments, leading to point source discharge and other permit requirements. The rule opens up thousands of manufacturers, farmers, and other businesses to citizen group lawsuits and lengthy environmental reviews – the median cost for some of these permits is \$155,000. One Voice and a bipartisan group of lawmakers are fighting to permanently stop the rule on Capitol Hill and in the courts.

### **Supreme Court Says EPA Underestimates Economic Impact; Agency Agrees to Small Biz Review**

The U.S. Supreme Court ruled in June that the EPA did not properly consider the economic costs of the Administration's landmark air quality rule. In a major victory for manufacturers, the ruling directs the EPA to conduct more comprehensive studies before issuing new regulations. In addition, following pressure from outside groups, the EPA agreed to conduct a small business review panel ahead of releasing a massive new regulation to reduce carbon emissions from existing power plants. The Agency had long contended its rule would have little impact on small businesses, despite their own admission it would increase the cost of electricity by 6-12 percent annually. While industry studies show the power plant rule could raise prices by 20 percent, even taking the EPA's 12 percent figure is a major increase for metalworking manufacturers who are large energy consumers. One Voice is working with lawmakers on legislative solutions to complement legal efforts to overturn the carbon emissions power plant rule.

### **Under Pressure, OSHA Delays Major Workplace Rule**

Under pressure from One Voice and other industry partners, OSHA quietly announced it is delaying a proposed rule requiring employers to implement an Injury and Illness Prevention Program (I2P2), also known in some states as Accident Prevention Programs, Comprehensive Safety and Health Programs, or Occupational Health and Safety Management Systems. The proposal requires employers to maintain written programs involving "planning, implementing, evaluating, and improving processes and activities that protect employee safety and health." The proposal also seeks to hold employers responsible for identifying and correcting hazards in their own workplaces. Currently, 34 U.S. states have established laws or regulations designed to require or encourage an I2P2, including 15 states with mandatory regulations for all or some employers.

### **Department of Labor Delays Persuader Rule**

Following repeated delays since 2011, the Department of Labor announced in May that it was yet again putting off the "Persuader Rule," this time until March 2016. The new regulation requires that employers and their advisors file certain reports with the Department if they use outside labor consultants to interact with their employees during a union organizing activity or collective bargaining dispute. The rule is a top priority for unions, especially as their numbers dwindle and the stakes increase during organizing activity with the implementation of the Ambush Election rule on April 14, 2015.

### **Coalition, One Voice Defeat NLRB Poster Rule**

In a significant victory for employers' rights, courts held that the National Labor Relations Board's (NLRB) Poster Rule is unconstitutional because it compels employers to post a notice with which they may not agree. The NLRB attempted to require all employers to post a notice in their facilities informing employees of their rights to join or form a union. One Voice, through its membership in the Coalition for a Democratic Workplace, challenged the NLRB and secured an important win for manufacturers.

### **OSHA Delays Combustible Dust Standard Again**

OSHA pushed back its proposed Combustible Dust Standards yet again, this time delaying the rule by another six months. The Department of Labor announced OSHA will now convene a small business review panel for combustible dust in August 2016 instead of the previously scheduled February 2016 timeline. Since 2011, OSHA has repeatedly delayed convening the panel, a requirement before the rule

may proceed. Absent further delay, the Administration will likely issue a final combustible dust rule by the end of 2016.