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Our 2019 Successes: Speaking with One Voice for Small Manufacturers in Washington, D.C.

New Career and Technical Education Law Takes Effect
On July 1, 2019, the Strengthening Career and Technical Education for the 21st Century Act signed by President Trump took effect. The bi-partisan bill, supported by One Voice, updates the Carl D. Perkins Career and Technical Education Act for the first time since 2006. A top priority for One Voice, the new law ensures that the middle grades also have access to CTE funding, an important step in filling the manufacturing workforce pipeline.

Increased Funding for Manufacturing Extension Partnerships, Apprenticeships
For the second straight year, Congress funded the Hollings Manufacturing Extension Partnerships (MEP) program for fiscal year (FY) 2019 at a level significantly higher than the Administration's request. Thanks to the efforts of One Voice members, while the Administration requested a $124 million cut to the program in FY 2018 and proposed eliminating all funding in FY2019, Congress approved $140 million for the program in both years. The program supports MEP centers across the country to provide custom services to small and medium-sized manufacturers such as workforce training, exporting and cybersecurity. One Voice also helped secure a $15 million increase for registered apprenticeship programs, $30 million for WIOA grants and increased the Pell threshold.

Administration Announces Apprenticeship Program Led by Industry, not Washington
Following calls from One Voice starting in 2015, the Department of Labor is creating a policy to allow third parties such as trade associations to develop and promote apprenticeship programs, rather than Washington dictating the rules to manufacturers. Too often, smaller manufacturers who customize apprenticeship programs to meet their specific needs are frequently no longer considered a "registered apprenticeship program" and can lose government funding and may not be eligible for partnerships with local educational institutions. While simultaneously working to strengthen traditional apprenticeship programs, the Industry Recognized Apprenticeship Program will allow smaller manufacturers in particular to level the playing field in workforce training.

Removal of Steel and Aluminum Tariffs on Canada and Mexico
In May 2019, President Trump lifted the 25% tariffs on steel imports and 10% on aluminum on Canada and Mexico, after having been in place for over a year. One Voice worked with the administration and lawmakers to remove the tariffs on imported steel and aluminum from Canada and Mexico by demonstrating the increased imports of downstream parts containing foreign metal due to increased input costs for NTMA and PMA members. One Voice is a founding member of a coalition (www.tariffsaretaxes.org) of U.S. manufacturers who use steel and aluminum and speak for the over 6.5 million Americans employed in steel using jobs and the millions relying on aluminum.

Exclusion of Tariffs on EU Imports of Copper Base Alloys
In an important win for One Voice, on October 2, 2019, the United States Trade Representative (USTR) announced it would not include copper base alloy metals from the European Union (EU) in the list of $7.5 billion worth of items subject to tariffs effective October 18. A World Trade Organization (WTO) ruling allows the U.S. to impose tariffs in retaliation for subsidies given to the aerospace group Airbus by the EU. The original list of products released by USTR potentially subject to 100 percent tariffs included $25 billion worth of goods, including copper base alloy metals (brass, bronze, cupro-nickel, nickel silver) entering the U.S. in the form of bars, rods, plates, coils, sheets and strip. One Voice is lobbying to make sure the tariffs remain off this critical metals.

U.S. Government Cites China as an Illegal Currency Manipulator
Following years of lobbying by NTMA and PMA, the U.S. Department of Treasury in August 2019 formally recognized China as an illegal currency manipulator. This marked the first time spanning four presidential administrations that Washington officially stated what manufacturers have said for years – China manipulates its currency to make their products cheaper than goods manufactured in the U.S. This marked an important victory for manufacturers and a step towards progress.

Elimination of OSHA Forms 300 and 301 Electronic Filing Requirement
The Labor Department's Occupational Safety and Health Administration (OSHA) issued a final rule changing Obama OSHA's tracking of workplace injuries and illnesses regulation. Under its final rule, OSHA revoked the requirement for businesses to submit Forms 300 (Log of Work-Related Injuries and Illnesses) and 301 (Injury and Illness Incident Report), only requiring submissions of Form 300A (Summary of Work-Related Injuries and Illnesses). On behalf of our members, One Voice submitted comments to OSHA supporting the revocation of Forms 300 and 301.

Blocked Regulation to Increase Electricity Costs by 20% Annually
At the end of June 2019, the Environmental Protection Agency (EPA) issued its final version of the Affordable Clean Energy (ACE) Rule and its repeal of the Clean Power Plan (CPP). The ACE rule will repeal the CPP on grounds that it exceeds the statutory authority provided under section 111(d) of the Clean Air Act. Rather than imposing restrictions and mandates on existing power plants that are largely out of their control, the ACE rule will focus instead on modifications to existing facilities "within the fence line" of the utility. Additionally, the ACE Rule requires states to set their own performance standards for greenhouse gas (GHG) emissions from existing coal-fired power plants and identifies heat rate improvement (HRI) as the best system of emission reduction (BSER) for reducing GHG emissions. One Voice strongly opposed the CPP regulation, which, by the EPA's own admission would have increased the price of electricity by 6-20% annually (industry experts predict 30% and higher increases). Prior to the repeal by the Administration, the U.S. Supreme Court, at the urging of One Voice and others, blocked the rule from taking effect in 2016.

Protected 20% Tax Deduction for Smaller Pass-Through Businesses
In passage of the tax law, One Voice worked directly with the policymakers negotiating the bill and were among the first at the table to lay the groundwork for more changes supporting smaller pass-through businesses. Under the law, pass-through may claim a 20% deduction of qualified business income. One Voice worked with Congress to increase the pass-through deduction significantly and make small businesses a centerpiece of the debate.

R&D, 179 Remain Permanent; Bonus Depreciation Increased to 100%
Following a major lobbying victory for One Voice in 2015, when a law was passed to make the R&D Tax Credit and Section 179 Equipment Expensing permanent, One Voice succeeded in protecting those provisions in the new tax cut law. One Voice is part of a coalition lobbying to change the R&D amortization rules. Lawmakers also listened to the calls of One Voice members regarding the importance of these tax provisions and expanded Section 179 from $50,000 to $100,000. The law also included 100% bonus depreciation through 2022.

Kept Corporate Tax Rate at 21%
Despite constant threats from Congress, One Voice and coalition partners have continued to protect the new lower C-Corporation tax rate from increasing to pay for government programs. In a major lobbying victory for One Voice, on December 20, 2017, the House and Senate sent to the President for his signature a bill to significantly change the U.S. tax code for the first time in over 30 years. Thanks to the efforts of One Voice members, who for many years sought lower rates and stronger investment provisions, this is a major change not seen in decades. The Tax Cuts and Jobs Act (TCJA) lowered the C-Corporation rate to 21% while lowering the top individual rate to 37%.

Administration Repeals WOTUS Rule

On October 22, 2019, the EPA and the Army Corps of Engineers finalized the repeal of the 2015 definition of Waters of the U.S. (WOTUS) which expanded the federal government's jurisdiction over inland waterways from 3.5 million miles to over 8 million. The rule opened up thousands of manufacturers, farmers, and other businesses to citizen group lawsuits and lengthy environmental reviews – the median cost for some of these permits being $155,000. One Voice worked with coalition partners and a bipartisan group of lawmakers to fight the previous rule in the courts and on Capitol Hill. The Administration will now move to craft a narrower replacement rule.

One Voice, Department of Labor Defending Association Health Plans Rule

One Voice is supporting the Department of Labor final rule changing the definition of "employer" under the Employee Retirement Income Security Act (ERISA), permitting trade associations to form Association Health Plans (AHPs) and offer health insurance across state lines. Outside groups are pressing the courts to block the rule, which would reduce costs for smaller manufacturers.

Health Care Win: Medical Device, "Cadillac", Health Insurance Obamacare Taxes Repealed

One Voice succeeded in helping U.S. medical device manufacturers by permanently eliminating the 2.3 percent tax imposed under the Affordable Care Act (ACA). This marked an important victory for suppliers and toolmakers for the industry in the face of the tax scheduled to take effect in 2020. One Voice also succeeded in eliminating the "Cadillac tax", a 40% excise tax on the value of employer-sponsored health plans exceeding $10,200 per individual and $27,500 per family annually. This victory provides relief to the almost 22% of One Voice members who report that their current plans exceed the Cadillac tax threshold. One Voice also helped its self-insured members by eliminating the 1.9% Health Insurance Tax (HIT).

Department of Labor New Overtime Rule More Reasonable for Small Businesses

The Department of Labor (DOL) on September 24, 2019, released a final rule updating the salary threshold for overtime pay. Under the current threshold, set in 2004, only hourly workers and salaried workers earning less than $23,660 were subject to overtime. The new rule issued by the DOL would increase that salary threshold to $35,568, expanding overtime pay to $1.3 million additional workers. Under the Fair Labor Standards Act (FLSA) most employees receive overtime pay for hours worked in excess of 40 hours in a workweek. However, the FLSA exempts certain employees from overtime requirements, including Executive, Administrative, and Professional (EAP) employees, as well as select salespeople working outside the office. To qualify for exemption, an employee must meet certain tests regarding their job duties and their salary must meet the threshold. A previous rule issued by the Obama Administration in 2016 would have raised the overtime exemption wage to $47,476 per year for Executive, Administrative, Professional & Clerical Employees (EAP) and for highly compensated workers from to $134,000. Thanks to a legal challenge brought by One Voice and its coalition partners, the rule was blocked by a federal judge in Texas. The new overtime rule took effect on January 1, 2020.

OSHA Considering Update to Lockout/Tagout

One Voice, along with coalition partners, filed comments with the Department of Labor regarding the request for industry information from the Occupational Safety and Health Administration's (OSHA) on Lockout/Tagout (LOTO). Industry comments supported a long overdue update to the LOTO standards, however, cautioned against actions that would effectively make certain machines inoperable or significantly delay machine down time for tool and die changes without improving safety. Comments also urged the Department to consider how controlled circuit devices have improved operability and safety. OSHA updating the LOTO regs would mark the most significant changes in decades, potentially impacting general industry while attempting to address concerns over a smaller subset of manufacturing.