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PCA Webinar COVID-19 Washington Update

March 27, 2020



PCA Antitrust Statement

- The Portland Cement Association assigns the highest priority to full compliance with both the letter and the spirit of the antitrust laws, and it is vital that this meeting be conducted in a manner consistent with that policy.
- If at any time during the course of the meeting, PCA counsel or staff believe that a sensitive topic under the antitrust laws is being discussed, or is about to be discussed, they will so advise the meeting and halt further discussion.
- As attendees at this meeting, you should likewise not hesitate to voice any concerns you may have in this regard.
- It is important to bear in mind that those in attendance at this meeting may be your competitors.
- Any discussions of commercial matters with one's competitors may create the appearance of an antitrust violation, even though there is none.
- Therefore, such discussions should be avoided at all times before, during, and after this meeting.





- Overview
- Grassroots Update
- CARES Act
- Next Steps Phase 4?
- Regulatory Agency Update
- Construction Activity
- Questions



Grassroots

PCA, NRMCA, ACPA, NSSGA, NAPA

- Seeking to have cement, concrete, aggregates, asphalt industries deemed essential in the wake of quarantines and shelters in place
- Targeting governors

PCA/NACA Efforts

- Ensure businesses can continue to operate
- Ensure building materials remain available for construction of vital infrastructure projects
- Support a long-term recovery through increased infrastructure investment



Congressional Overview

Congress has passed three COVID-19 relief bills

- 3/6 Phase I \$8.3 B in emergency funds focused on treatment, preventative measures, testing, etc..
- 3/14 Phase II \$104 B in funding for paid and sick leave, unemployment insurance, food security, etc..
- 3/26 Phase III \$2 T bill for emergency assistance and health care response for individuals, families, and businesses



Review of CARES ACT



Tax Provisions

- Delay of payroll taxes for **all** employers: due over the course of two years with half due by 12/31/21 and balance by 12/31/22.
- Five-year carryback for 2018, 2019, 2020 tax bills.
- Accelerated recovery of AMT credits in the form of refunds.
- Improved Interest deductibility: limitation on interest deduction raised to 50% of EBITDA for 2019, 2020 (limit is currently 30%).
- Retention Tax Credit



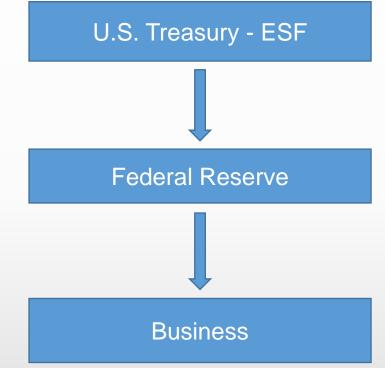


- Expansion of Unemployment Insurance from 3-4 months and an increased payment of \$600 per week.
- Creates a temporary Pandemic Unemployment Assistance program for those not traditionally eligible for unemployment benefits.
- Recovery checks of up to \$1,200 will be given to most taxpayers. Married couples who file a joint return are eligible for up to \$2,400. Those amounts increase by \$500 for every child. (Means limited)



Exchange Stabilization Fund

- Sets aside \$454 billion in Treasury's Exchange Stabilization Fund (ESF) for eligible businesses, states, and municipalities to access loans and loan guarantees.
- Companies:
 - Must be domiciled domestically
 - Are limited from making dividends or offshoring,
 - Must make a "good faith effort" to maintain at least 90% of employees at full compensation and benefits,
 - Other criteria being set forth by the Secretary of the Treasury.
- Loans must be paid back within five years.





Small Business

- Loan fund of \$349 billion for companies that would qualify as a "small business," applicable up to 500 employees per physical location.
- \$10 billion grant fund for small businesses to provide paid-sick leave, pay rent or other costs related to the disaster.
- 80% carryback limitation lifted for pass-through entities to match with the net operating loss treatment for C-Corporations for 2018, 2019, 2020.
- Limits how much an employer with 500 or fewer employees is required to pay for paid sick leave (per day and in the aggregate) for each employee.



Appropriations

- Aid for Airports \$10 Billion
 - Help airports prevent, prepare for, and respond to coronavirus
- Aid for Transit Systems \$25 Billion
 - Cover operating and capital expenses related to shortfalls in revenue from decreased ridership and reduced service
- Federal Emergency Management Agency \$45 Billion
 - Provides funding for the Disaster Relief Fund to help states and communities cover the costs of coronavirus recovery activities



Phase 4

- House
 - Pelosi
- Senate
 - Recess through April 20
- Administration
- PCA Action



Agency Update



MSHA

What **IS** MSHA Doing?

- Abiding by <u>President's Coronavirus Guidelines for America</u> & <u>CDC Interim Guidance for Risk Assessment and Public</u> <u>Health Management</u>
- 30-day grace period Annual Refresher Training
 - Does not apply to New Miner Training
- Social distancing
- Suspended EFSMS visits & on-site gatherings
- COVID-19 screening/questionnaires for inspectors
- MSHA inspectors with symptoms or potential exposure
- Limit inspectors for regular inspections (*must alert MSHA*)

What is MSHA **NOT** Doing?

- Stopping routine inspections
- Stopping serious accident investigations & investigations of *serious* hazard complaints



MSHA & Safety

- Requests Made:
 - Social Distancing
 - Declare COVID-19 Status
 - No Assembling Groups of Miners
 - One Inspector Per Site
 - *Ride in Separate Vehicles
 - Flexibility on Training/Testing (Non-ART) verbal agreement
 - Respiratory Protection (N95 / KN95)
 - *Health Sampling Procedures*
 - Increased Time for Abatement & Responding to Requests for Documents
 - Expedite Petitions for Modification
- Contact your District Office and/or PCA

*Discuss this with inspectors/District Office



Health & Safety

• Best Management Practices: 2 Webinars, BMPs, PowerPoints, Online Resources



1. Meetings & Communications

BEST MANAGEMENT PRACTICES

 Designate a COVID-19 leadership team; have that team communicate regularly (daily) at a set time to disseminate information and updates to senior leadership. Consider having representatives from various company departments on this team (e.g. HR, Finance, Operations, etc).

Portland Cement Association

- Send communications via email (or app) to employees; include their personal emails and try to reach workers' families.
- · Use conference call, virtual meeting, and other technology whenever possible (e.g. Skype, Zoom, Microsoft Teams and others).
- · Provide best practices and regular communications to entire workforce; include Q&A and guidance based around various scenarios.
- · Consider having the company President/CEO address the workforce and answer questions to share information and also relieve some anxiety.
- · Be careful talking about others who may or may not be sick and spreading rumors.

Workforce – General

- · Run a skeleton crew and operate only essential functions to keep business going.
- · Have those who can work remotely work from home.
- · Develop a back-up schedule in case someone gets sick.
- · Practice correct social distancing (6' minimum).
- · Stop all non-essential travel, including between regional operations.
- · Remind employees that they must be competent to mix their own chemicals; also remind employees to properly label all containers.
- · Have anyone "on call" stay home until needed, rather than onsite.
- · Have gloves available for anyone who has to sign documents or share common tools.

Supplies

- · Maintain an inventory of PPE and cleaning products, as available (e.g. dust masks, respirators, gloves, etc.)
- · Consider potential supply chain issues. E.g., as commercial air travel decreases, cargo air will become a more common transportation method, which takes longer.
- · Acquire bulk supplies (e.g. cleaning supplies) and share between operations within the company

Resources for Operators During the COVID-19 Crisis

GOVERNMENT WEBSITES

Center for Disease Control (CDC)

- Coronavirus (COVID-19) Main Webpage An abundance of resources. If an employee or family member feels sick, this is a great place to start. Includes a map of confirmed cases, latest updates, resources on travel, schools & childcare, businesses & employers, and community & faith-based organizations. There is also information on how to protect yourself, what to do if you feel sick, what the symptoms of COVID-19 are, how to prepare your family, and resources for older adults and those with medical conditions.
- Occupational Health & Safety Administration (OSHA)
 - OSHA Guidance on Preparing Workplaces for COVID-19 Developed in collaboration with the U.S. Department of Health and Human Services to help employers respond in the event of coronavirus in the workplace.
 - o Temporary OSHA Guidance on Respiratory Protection Standard This guidance provides suggestions and options to help increase the availability of N95 filtering facepiece respirators for healthcare providers.
 - COVID-19 Webpage Provides infection prevention information specifically for employers and workers.
- Department of Labor
 - o Coronavirus Resources A landing page of links, resources, and information on the workplace during the COVID-19 crisis. *Includes a small section on "Flexibilities for Mine Operators"

GOVERNMENT AND REGULATORY INFORMATION & RESOURCES

- NSSGA's Grassroots Campaigns It is imperative that policymakers hear from you about issues that are impacting the industry. Here you'll find advocacy tools that allow you to influence policymakers on policies that will affect your business - including COVID-19. Help by urging your governor to declare the construction industry an essential service.
- MultiState COVID-19 Policy Tracker A collection of state and local government resources and responses to COVID-19 that help keep you updated on what is going on in your local area. Information for each state includes link to health department's website, key contacts, state of emergency documents, executive orders, session changes/capitol closures, travel restriction & information, official social media sources, and the tracker's last update.

ADDITIONAL INFORMATION

Fisher Phillips



EPA

3/20: PCA submitted letter to EPA seeking flexibility and enforcement discretion for specific compliance obligations in response to COVID-19

 Testing, including Stack Tests and RATAs
 Equipment Calibration
 Laboratory Analyses
 Emissions, GHG, and TRI Reporting
 CAA, CWA, and RCRA Training



EPA

- 3/26: EPA issued enforcement guidance that EPA will not seek enforcement penalties for routine compliance obligations, including:
 - o Compliance monitoring;
 - o Integrity testing;
 - o Sampling;
 - o Laboratory analysis;
 - o Training; and
 - o Reporting
- Facilities must identify and document how COVID-19 was the cause of the noncompliance
- The policy applies retroactively starting March 13, 2020 and EPA will provide notice of at least seven days, prior to terminating the policy



Cybersecurity & Infrastructure Security Agency

- 16 Critical Infrastructure Sectors including manufacturing
- Guidance on Essential Critical Infrastructure Workers
 - Did not explicitly classify construction and related industries as essential
- PCA led construction coalition letter to President Trump
- PCA sent separate letter to President Trump asking that cement be classified as essential in the manufacturing sector



Impact on Construction

- Construction as essential
 - California, New York, Illinois, Ohio, New Jersey, Colorado, West Virginia, Arizona, Delaware, Wisconsin, Indiana, Minnesota, and Mississippi
- Projects delays
 - 1334 throughout the country





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