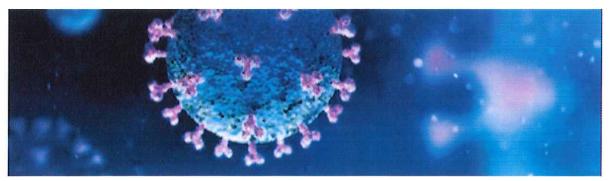
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COVID-19 Update



From the NASF Board of Directors

Greetings Members:

On behalf of the NASF Board of Directors, we wanted to share with you some important steps being taken as the industry and nation have entered this uncertain and challenging time.

First, with respect to the association's key upcoming events, we've highlighted below the status of the upcoming Washington Forum in April and NASF SUR/FIN Atlanta in June. Regretfully and unsurprisingly, we've taken steps to cancel our highly-acclaimed Washington event, as the escalation of COVID-19, public and member health concerns and official directives have made the decision unavoidable.

As we approach SUR/FIN Atlanta scheduled for June 15-17, we have been in daily discussions with our meeting management, hotel and convention center officials, and at this point our event date is just outside of the period within which cancellations have been granted to associations with minimal financial impact. We are monitoring closely and will be making a final decision shortly.

Second, with respect to our government affairs efforts, our advocacy team has been fully engaged in discussions across Washington, including key federal agencies and the White House, Center for Disease Control chief Dr. Robert Redfield and allied industries and coalitions. Most recently, we've provided input on manufacturing needs, small business relief, critical infrastructure decisions and OSHA's role in the workplace given the rising

health concerns for employees over COVID-19 We'll continue to ensure that the industry's voice is heard.

Third, in our efforts to support you, we will be taking next steps to keep you informed and assist in providing resources on relevant topics necessary for an economically sustainable future. See the NASF Summary powerpoint below of recent legislation affecting employers and employees. We will be sending out an NASF-wide survey in the coming days to help us better understand what specific challenges members are facing in various regions, so that we can better assist you and represent the industry's priorities.

We expect that the days ahead may pose some unforeseen difficulties for our companies, our employees, our families and our peers. However, we're confident we will work together, support our industry and ultimately prevail.

Best regards,

Steve Brown, NASF President Christian Richter, NASF Washington

NASF Key Events Update



Washington Forum 2020

The 2020 NASF Washington Forum will be cancelled. Our team has been working closely with the Ritz Carlton - Pentagon City to finalize details and ensure no financial impacts for the association. In the meantime, we are reviewing options for rescheduling or a short series of webbased policy updates, including a review of relevant provisions included in the unfolding coronavirus legislation.

NASF SUR/FIN Atlanta 2020

NASF has been in regular discussions with our Atlanta hotel and convention center partners to review options for proceeding, rescheduling or cancelling SUR/FIN 2020. We are extending flexibility to exhibitors and keeing registration open for now. We will keep you informed as we monitor further restrictions from state and local authorities to minimize the financial impacts to the organization of cancellation.



New Paid Leave Requirements for COVID-19



The President signed into law last week a bipartisan legislative package, the *Families First Coronavirus Response Act* (H.R. 6201). The House passed the bill by a vote of 363-40 on March 14. The Senate passed it 90-8 last Wednesday, March 18.

The law is "Phase 2" of three phases of congressional action to address the wide-

ranging public health, business and household challenges of the global pandemic. The Phase 1 legislation, H.R. 6074, enacted into law March 6, 2020, provides \$8.3 billion in emergency funding for federal agencies to ensure vaccines developed to fight the coronavirus are affordable, that impacted small businesses can qualify for Small Business Administration (SBA) economic injury disaster loans, and other provisions for access to health care providers.

Phase 3 legislation, under consideration but delayed in the Senate this week with final approval pending, includes tax breaks and other aid for affected industries, cash payments for American households and additional small business support.

Paid Leave and Tax Credits - Major Provisions for Employers and Families

The Phase 2 legislation now being implemented includes a major provisions that affect a large universe of small and medium-sized employers on family and medical leave, including:

- · mandatory emergency paid sick leave;
- refundable payroll tax credits for small and medium-sized employers for public health emergency leave; and
- emergency paid sick leave provided to employees who are unable to work or telework due to COVID-19.

Employers with < 500 employees - Required Leave with Refundable Tax Credit

The new law would require employers with fewer than 500 employees to provide employees with two-weeks of paid sick leave (80 hours for full-time employees and typical number of hours over two-weeks for part-time employees). The Labor Department can exempt small businesses with fewer than 50 workers from the paid leave requirements

Effective Date is Coming up in the First Week of April

The provision takes effect not later than 15 days after enactment of the bill and sunsets on December 31, 2020.

New Requirements Will Affect NASF Member Companies

These and other key requirements may apply to your company. See the new NASF SUMMARY of the new legislation's requirements below.

NASF Summary of New Legislation & IRS Memo

Family and Sick Leave Provisions in COVID-19 Legislation



Coronavirus Update
Recent Federal Legislation and Outlook

The Policy Group Bloomberg Government Legislative Analysis Updated: March 20, 2020

Bloomberg

Download the NASF Summary

For a specific explanation of how the new law may apply to your organization, please see the <u>NASF SUMMARY of the new legislation's requirements</u> for employers or click on the page to the left.

IRS Implementation Memo

The IRS just released this weekend a memo announcing plans to implement provisions of the "Families First Coronavirus Response Act" (Phase 2) along with Treasury and the Department of Labor. Specifically, the IRS announced plans to implement paid leave for workers and the tax credits for small and midsize businesses intended to cover the cost of paid leave. The memo is here.



DHS Guidance on Essential Critical Infrastructure

Homeland Security CISA Memorandum on Critical Infrastructure - COVID-19 --The Latest on State Quarantine and Businesses Closure Orders

Many NASF members are in discussions with their employees, customers and suppliers on whether their company is considered an "essential business" as states escalate quarantines and business closure orders.



Actions Underway to Get Clarity on Federal Critical Infrastructure Guidelines

More states are issuing closure orders today and this trend is expected to continue. Among other efforts, NASF has been working with a coalition of allied industries and the U.S. Chamber of Commerce to gain further clarity from the Trump Administration on which industries are considered critical infrastructure by the U.S. Department of Homeland Security (DHS). The DHS Cybersecurity and Infrastructure Agency's (CISA) just issued federal advisory guidance a few days ago and it is available on the web.

Latest DHS CISA Critical Infrastructure Guidance as of Today (See initial March 19, 2020 letter with March 23, 2020 attachment by clicking on the link below):

Guidance on the Essential Critical Infrastructure Workforce: Ensuring Community and National Resilience in COVID-19 Response (v. 1.1, March 23, 2020)

On the ground, NASF is aware of the challenges companies are now facing, in that states may vary in their approach to which businesses are considered "essential," state closure directives may be vague on how they will be implemented, and businesses may be unclear about what the scope of their responsibilities are as they or their customer, for example, determine that they are essential under CISA's advisory guidelines.

16 Critical Infrastructure Sectors

As NASF members communicate with their employees and supply chain partners, please review the CISA guidance above and reference the 16 Critical Infrastructure Sectors, "whose assets, systems, and networks, whether physical or virtual, are considered so vital to the United States that their incapacitation or destruction would have a debilitating effect on security, national economic security, national public health or safety, or any combination thereof."

State and Federal Coordination Concerns

CISA emphasizes that the list of Critical Infrastructure Sectors is advisory in nature and should not be considered to be a federal directive or standard, and that state and local officials should use their own judgment in issuing orders and guidance to the public and business.

As the nation is entering uncharted territory with the coronavirus pandemic, federal, state and local authorities will be wrestling to coordinate effectively with business to balance public safety while ensuring the continued delivery of critical infrastructure services and functions.

NASF is working with business allies and government partners in the meantime to help align state and local actions with the federal CISA framework and avoid creating artificial barriers to necessary and safe transportation for those facilities deemed critical.

Click on image below for Critical Infrastructure Sectors and Essential Workers



Monitor Your State and Local COVID-19 Directives

Access an Updated DASHBOARD for Every State and Local Directive

Monitor the status of any state and local jurisction's COVID-19 actions HERE.

Selected COVID-19 Resources for Industry

Selected Resources

Many NASF member companies have been inundated with emails and information on the coronavirus, but below is the beginning of a longer list from the association on potentially useful links and tools.

U.S. Chamber of Commerce

Our colleagues at the U.S. Chamber of Commerce have developed a <u>toolkit</u> to help employers harden their response plans, assist employees, communicate with all audiences, and find new resources.

They've also developed a useful interactive digital platform for small business owners, called <u>CO—</u>, The site has consolidated <u>five resources</u> to help companies navigate the financial difficulties of the pandemic, including supplemental information about disaster assistance loans, state-wide initiatives to help small businesses and more.

National Governor's Association

Governors are at the center of the response on COVID-19, and the <u>National Governor's Association COVID-19 website</u> covers a range of updates on state actions, public health emergency declarations, National Guard activations and other updates for member companies monitoring their supply chain.

U.S. Small Business Administration (SBA)

SBA recently briefed NASF and other manufacturing trade associations on its Disaster Loan Program. The agency is offering an increasing number of states and territories low-interest federal disaster loans for working capital if needed to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19) through their Disaster Loan Program.

To view the U.S. Small Business Administration's one-pager on the Disaster Loan Program—including information on areas that are eligible for loans and more—please click here.

If you have questions regarding any of these important updates, please email info@nasf.org for more details.

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