

TO: NAW Direct Members

FR: NAW Government Relations Team

RE: NAW COVID/Government Relations Update Number 2021-14 – May 27 at 12:30 PM

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1. Latest on President Biden's Proposed Tax Increases

New Coalition – America's Job Creators for a Strong Recovery – to oppose Biden tax increases:

NAW and four allied business groups recently joined together to organize a new tax coalition – **America's Job Creators for a Strong Recovery** – to respond to the Biden Administration's proposed business tax increases. Like all NAW's legislative coalitions, this one will lobby against the tax increases; however, this new coalition has a different primary mission: to work with consultants and a polling firm to try to shape public opinion on the tax hikes. President Biden and his allies consistently argue that taxes should be increased on businesses and the "wealthy" because they don't pay enough in taxes and should be required to "pay their fair share."

Given that the average effective tax rate in distribution and several other industries has always been at or higher than the statutory rates, the "fair share" argument is a false narrative, but polls consistently show that voters believe it. The mission of our new coalition is to conduct public opinion surveys, determine if voters change their minds when given more – and more accurate – information, and mount a targeted media campaign to convince both voters and members of Congress to oppose the Biden tax increases.

We officially launched the coalition yesterday with more than 30 members (including many NAW member associations) and conducted a webinar on our most recent polling data. The coalition continues to grow, and as you may have seen, has caught the attention of the media. Earlier this week there were several news reports on the coalition, and NAW CEO Eric Hoplin did a Fox Business interview. Here are links to those press stories and to Eric's interview:

- CNBC: [Business groups form coalition to oppose all tax hike proposals by Democrats](#)
- Punchbowl News: [New group opposed to any tax increase](#)
- Bloomberg News: [Industry Groups Form Coalition to Fend Against Biden Tax Hikes](#)
- The Hill: [Dozens of business groups unite in opposition to proposed Democratic tax hikes](#)
- Eric Hoplin interview on Fox Business:
<https://twitter.com/NAWorg/status/1397255099462868998>

We always appreciate any feedback and anecdotal information you can share with respect to the proposed tax increases and how they would impact your business, and we will of course keep you apprised of the new coalition's growth and activity.

LIFO Update:

The NAW-led LIFO Coalition continues to work to ensure that LIFO repeal is not included as a “pay-for” in tax or spending legislation. We have had numerous meetings with Democratic and Republican members of the tax-writing committees in the House and Senate and continue to get great feedback and reports that LIFO repeal is not being considered – or even discussed – as the tax bills develop in Congress. Some of the key Democrats on the House Ways and Means Committee have long been, and continue to be, allies in our mission to protect LIFO, and we have been told anecdotally that Senate Finance Committee Chairman Ron Wyden (D-OR) has said he is also not considering LIFO repeal.

Despite the consistent and welcome good news, NAW and the Coalition continue to work the issue. We are currently trying to identify House Democrats who do not serve on the tax-writing committee who would be willing to sign a joint letter to Speaker Pelosi simply notifying her of their interest in protecting LIFO, so she is aware of the issue should it come up in later tax discussions. We are also working to build relationships with new members of Congress who are most likely not familiar with LIFO to provide them with background information on the accounting method. To that end, the Coalition's consulting firm (The Herald Group) has just taken a LIFO chart and explanatory material prepared by one of the tax experts in the coalition and created a

visual document explaining how LIFO works. Companies on LIFO clearly understand the issue in much greater depth, but we think [this visual guide](#) will be very useful in demonstrating LIFO as an essential business tool to members of Congress unfamiliar with inventory accounting methods.

Finally, The Herald Group is always looking for good anecdotal stories from LIFO users on the importance of LIFO to their business, and we would particularly like to include on our coalition website any videos that businesses would be willing to provide, talking about their use of LIFO. If you would consider providing either a written or video-taped LIFO comment, please let me know.

2. Latest on the Vaccine Distribution

NAW is actively involved in the vaccine distribution issue, working with member companies in a joint effort to get the government to involve the entire wholesale distribution industry.

Addressing International PPE Supply Shortages and Disruptions with FEMA:

Throughout the pandemic and continuing into 2021, many distributors have experienced unprecedented supply shortages and supply chain disruptions that have limited the availability of critical PPE. Items like nitrile gloves, N95 respirators, and medical syringes quickly became scarce due to both a spike in domestic demand and subsequent manufacturing and transportation constraints abroad.

NAW joined a working group of companies and industry groups that meets with the Federal Emergency Management Agency (FEMA) regularly to advance strategies to remedy these issues. Our meeting this week focused on strategies to improve the domestic supply of N95 masks and medical gloves.

State and Local Vaccine Distribution Tracker by *Little Law Firm*:

As with nearly everything about this pandemic, guidance and action plans vary by state and local jurisdictions and are constantly evolving. To that end, *Little Law Firm* provides links to state agency websites, vaccine allocation plans, and other guidance related to the rollout of COVID-19 vaccines, as well as basic vaccination plan phases. To see the latest updates, click [HERE](#).

Additional Vaccine Distribution Resources:

In a previous update, we included additional information and resources on vaccine distribution, which you can access [HERE](#).

3. Latest on the Economic Recovery and Re-Opening the Workplace

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW is providing information about reports, webinars, and seminars that you may find useful:

From *Reed Smith Law Firm*:

NJ employers ready to ditch the masks? Not so fast.

On May 24, 2021, New Jersey Governor Phil Murphy announced that he is lifting the indoor mask mandate in most circumstances effective May 28, 2021. Many New Jersey employers interpreted this to mean that they may choose to eliminate mask requirements in their workplaces beginning this Friday. However, the issuance of Executive Order No. 242 [Continue Reading](#)

From *Littler Law Firm*:

MIOSHA Amends COVID-19 Emergency Rules as Michigan Eases Workplace Restrictions

Effective May 24, 2021, The Michigan Occupational Safety and Health Administration (MIOSHA) revised its COVID-19 Emergency Rules. To read more, click [HERE](#).

Webinar from *Littler Law Firm*:

COVID-19 in the Workplace: Recent Developments and Compliance Challenges - Session 15

Friday, June 4, 2021 | 8:30 am-9:30 am PDT

It has become apparent that COVID-19 is going to dominate employment and labor law issues for the foreseeable future. The American workplace has become the first frontier as the pandemic creates new legal issues – seemingly every day. In response to the many questions that business leaders, human resources professionals, and in-house counsel have about facing these new legal challenges, Littler's Sacramento office created the "First Friday" webinar series. To register, click [HERE](#).

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation. To read their latest report, click [HERE](#).

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**. To view their spreadsheet, click [HERE](#).

CDC Guidelines and OSHA: As you know the CDC made clear in its lifting of the mask mandate that their guidance did not pre-empt OSHA guidelines. As of today, a Labor Department/OSHA rule imposing an “emergency temporary standard” is still sitting at the Office of Management and Budget’s (OMB) Office of Information and Regulatory Affairs (OIRA), where it was sent for their required review. As ludicrous as it is for OSHA to still be considering a temporary emergency COVID safety rule, we do not yet know if OIRA will continue with the new rulemaking, withdraw it, or send it back to OSHA. We and our labor-issue allies continue to monitor this situation and will let you know immediately if/when we get new information.

[Click here](#) for links to **UPDATES** sent previously.

Many thanks—

*Jade West, Chief Government Relations Officer
Blake Adami, Vice President-Government Relations
Seth Waugh, Associate Vice President-Government Relations
National Association of Wholesaler-Distributors*

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