

NAM COVID-19 Update
May 1, 2020

I had a very productive conversation this afternoon with Secretary of State Mike Pompeo, who has been working to resolve manufacturers' continued concerns about restrictions on manufacturing operations in Mexico. Discussions between the United States and Mexico on reopening essential manufacturing industries are ongoing, though last week the government of Mexico committed to work toward the reopening of automotive industry facilities. My message was direct: discussions are good, but manufacturers in America need to see concrete action from the Mexican government. In addition to today's call with the Secretary of State, we have had numerous conversations and have been working directly with U.S. Trade Ambassador Bob Lighthizer, who has been extremely responsive and helpful in seeking a positive resolution. You can read the NAM-led message from 326 CEOs urging Mexican President Andrés Manuel López Obrador to reopen essential facilities [here](#).

If you have questions, you can continue to contact NAM Senior Director of International Economic Affairs [Ken Monahan](#) regarding NAM efforts in Mexico and globally. For domestic questions, contact NAM Vice President of Energy and Resources Policy [Rachel Jones](#). The NAM will stay on top of this issue until it is fully resolved.

As States Begin Reopening, CDC Offers Continued Guidance

As states begin outlining "reopening" plans, the Centers for Disease Control and Prevention continues to encourage social distancing policies and practices, as well as coordination with state and local health authorities. [Travel](#) should be avoided unless it is necessary, and flexible work arrangements, such as telecommuting for the workers who can, is also encouraged.

Though federal social distancing guidelines expired at the end of April, manufacturers are well advised to heed the [recommendations](#) of the CDC and continue to lead by example. Manufacturers are doing our part to lead the country out of this pandemic with products that protect frontline workers and that support Americans' way of life—and with processes that set precedents for other industries to follow.

We are entering what many of us are calling the "new normal." We must continue to be smart and healthy in the next phases of this pandemic. While stay-at-home orders will relax over the coming days and weeks in different parts of the country, manufacturers will demonstrate how we cannot relax our attitude about combating the virus in our homes and workplaces. We look forward to continuing to showcase the leadership you are demonstrating in your communities. And we will continue to keep you updated on the best [guidance and recommendations](#) from the nation's leading public health experts.

IRS Provides Guidance on Deductible Business Expenses and PPP Loans

The IRS has explained how it will handle the tax treatment of deductible expenses for businesses receiving Paycheck Protection Program loans. To prevent a "double tax benefit," the IRS will not allow taxpayers to deduct trade or business expenses (e.g., payroll) associated with forgiven PPP loans, which under the CARES Act are not considered as taxable income. You can read the IRS guidance [here](#).

If your company is looking for ways to contribute to COVID-19 relief efforts, we encourage you to email our Response Team at responseteam@nam.org with any N95 or Tyvek suit donations.

You can connect with NAM partner [Good360](#) to donate items to families. Please reference the NAM as your source of referral so we can track the many positive contributions of our members.

Please keep visiting the regularly updated nam.org/coronavirus site for the latest information, including operational guidance, our policy plans and state-specific resources.

Best,

Jay

President and CEO
National Association of Manufacturers