March 23, 2020

To: PMA Michigan Members

This morning, Monday, March 23, 2020, Michigan Governor Whitmer issued an Executive Order stating that effective March 24, 2020 at 12:01 a.m., individuals in Michigan may only leave their homes or place of residence under very limited circumstances, and they must adhere to social-distancing measures recommended by the Centers for Disease Control and Prevention when they do so, including remaining at least six feet from people from outside the individual’s household to the extent feasible under the circumstances. The current order continues through April 13, 2020 at 11:59 p.m.

This action in Michigan follows similar steps taken in California, Illinois, Kansas, Louisiana, Missouri, New Jersey, New York, Ohio and Pennsylvania.

The Michigan order does allow for certain essential critical infrastructure businesses to maintain operations. The State adopted a list (see Page 5) on which PMA lobbied, Essential Critical Infrastructure Workers, issued by the Department of Homeland Security, Cybersecurity and Infrastructure Agency (CISA).

The CISA list includes in its definition Critical Manufacturing and Defense Industrial Base sectors. Critical Manufacturing is defined as “necessary for the manufacturing of materials and products needed for medical supply chains, transportation, energy, communications, food and agriculture, chemical manufacturing, nuclear facilities, the operation of dams, water and wastewater treatment, emergency services, and the defense industrial base” (Page 10). Note: automotive is covered under “transportation.”

The Defense Industrial Base sector includes “workers who support the essential services required to meet national security commitments to the federal government and U.S. Military” including “manufacturing/production workers” and “personnel working for companies, and their subcontractors, who perform under contract to the Department of Defense providing materials and services to the Department of Defense” (Page 11).

If a company meets that definition, they may remain open. However, while there is not an application for manufacturers to submit to the State for permission to operate, suppliers to essential businesses must receive a written statement from their customer that they are part of the critical supply chain.

Customers “must make all designations in writing to the entities they are designating, whether by electronic message, public website or other appropriate means. Such designations may be made orally until March 31, 2020 at 11:59 p.m.” The Governor’s order, states (see Page 6):

1. A business or operation that employs critical infrastructure workers may designate suppliers, distribution centers, or service providers whose continued operation is necessary to enable, support, or facilitate the work of its critical infrastructure workers.
2. Such suppliers, distribution centers, or service providers may designate workers as critical infrastructure workers only to the extent those workers are necessary to enable, support, or facilitate the work of the original operation’s or business’s critical infrastructure workers.

3. Designated suppliers, distribution centers, and service providers may in turn designate additional suppliers, distribution centers, and service providers whose continued operation is necessary to enable, support, or facilitate the work of their critical infrastructure workers.

4. Such additional suppliers, distribution centers, and service providers may designate workers as critical infrastructure workers only to the extent that those workers are necessary to enable, support, or facilitate the work of the critical infrastructure workers at the supplier, distribution center, or service provider that has designated them.

The order also includes “child care workers (including workers at disaster relief child care centers), but only to the extent necessary to serve the children or dependents of critical infrastructure workers as defined in this order. This category includes individuals (whether licensed or not) who have arranged to care for the children or dependents of critical infrastructure workers.”

Michigan has established several financial resource programs for businesses including grants with applications expected out by April 1. Michigan has created Economic Injury Disaster Loans (EIDL) in response to COVID-19. The state has also been approved by the Small Business Administration (SBA) for companies seeking disaster loans for up to $2 million.

In Washington, D.C., our lobbyists indicate that the U.S. Senate is hoping to vote on a final package in the coming days, though a U.S. Senator has now tested positive for COVID-19 with several others under self-quarantine.

The measure on which PMA is lobbying could include $350 billion for small businesses, those defined as having fewer than 500 employees. This proposal includes allowing eligible companies to receive zero interest "business interruption loans" to pay employees, rent or mortgages that are backed by the SBA, with loan forgiveness contingent on keeping workers on the payroll. The draft bill also includes an expansion of Net Operating Loss and several other provisions requested by the association.

Following conversations with members and a survey of companies last week, our advocacy team in Washington, D.C. submitted to the White House and Congress a list of 10 recommendations to support manufacturers during the COVID-19 economic recovery process, several of which are included in the pending measure. The recommendations include solutions to help with cash flow, prompt payment terms to suppliers for companies receiving federal funds, ensuring banks do not revoke existing lines of credit, and making sure manufacturers have the resources to continue operations and quickly ramp up production after the crisis wanes.

The situation is very fluid and, while PMA is a national organization, we are mobilizing all of our resources to assist our members throughout the country. Working with our team in Washington, D.C., we have created www.onevoiceinfo.org as a one-stop resource for members to find links to the latest OSHA, CDC and local government resources, including workplace safety posters to print.

Please feel free to reach out to us at any time with questions.