



April 20, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20510

RE: COVID-19 Response and U.S. Tire Manufacturing Priorities

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy and Leader Schumer:

The U.S. Tire Manufacturers Association (USTMA) is the national trade association for tire manufacturers that produce tires in the U.S. Our 13 member companies operate 58 tire-related manufacturing facilities in 17 states and generate more than \$27 billion in annual sales. Tire manufacturing is an essential industry that directly supports more than a quarter million U.S. jobs – totaling almost \$20 billion in wages – across every congressional district in the country. USTMA advances a sustainable tire manufacturing industry through thought leadership and a commitment to science-based public policy advocacy. Our member companies' tires make mobility possible and keep the U.S. economy moving.

USTMA applauds the quick and bipartisan action taken by President Trump and Congress to so-far enact three major pieces of legislation aimed at mitigating the direct and indirect economic harm caused by the spread of COVID-19. U.S. tire manufacturers appreciatively note the CARES Act (Public Law No: 116-136) included several provisions supported by our industry to provide needed relief for the broader economy as well as employers in the manufacturing sector. Still, tire manufacturers continue to face unprecedented challenges, and USTMA urges your continued leadership to ensure the American economy and manufacturing sector are well-positioned to quickly return to pre-pandemic levels in the near future and for the long term. USTMA remains committed to engaging all stakeholders to quickly pass legislation that will address the immediate and enduring challenges facing our country and the tire manufacturing industry as a result of this pandemic.

To ensure a thriving U.S. tire manufacturing industry we urge you to:

1. Enact a payroll tax holiday, suspending employer-paid payroll taxes through September 30, 2020.
2. Provide tax credits for all employers – including those above the 500-employee threshold – that offer benefits such as paid leave for emergency situations or to care for family members experiencing emergency situations.
3. Provide a refundable payroll tax rebate covering eighty percent of employer payroll costs for companies of all sizes to help maintain (rather than terminate or temporarily layoff) their workforce during the COVID-19 emergency. This new credit should apply to workers laid off in March or

April who are rehired before May 31, 2020 by their former employers. USTMA notes this proposal is detailed by Senator Josh Hawley in his [Getting America Back to Work](#) plan. Such assistance will minimize the time necessary to return production to pre-pandemic levels.

4. Provide for the immediate use and refundability of general business credits (GBCs).
5. Delay the remittance of federal excise taxes collected by manufacturers on the sale of tires. Similar to the delayed collection of payroll taxes provided in the CARES Act, businesses could opt to delay payment of the federal excise tax with half of the delayed amount due by December 31, 2021 and the other half by December 31, 2022.
6. Ensure cross-border trade – particularly within North America – is not adversely affected by policies aimed at restricting movement to contain the spread of the disease. We also request your close coordination with the governments of Canada and Mexico to ensure industries, such as the automotive supply chain, are able to re-open simultaneously in all three countries. Tire manufacturing is an essential industry, and many U.S. tire manufacturers depend on frequent shipments between facilities across the continent to support manufacturing operations as well as retail, wholesale and distribution logistics; any disruption to those supply chains could have a crippling impact.

U.S. tire manufacturers are a critical part of the American economy. Our members play an integral role in ensuring safe and reliable transportation, particularly in emergencies. Government vehicle fleets (local, state, and federal) and other essential personnel (doctors, nurses, healthcare providers, grocers etc.) depend on safe and reliable mobility.

Ensuring the health and well-being of the nearly 100,000 dedicated individuals working to manufacture tires in the U.S. is of paramount concern to our member companies. USTMA and its members stand ready to work with Congress and the administration as well as state and local governments to address the many tough issues facing our country during these challenging times.

We look forward to working with you. For more information, please contact Sean Moore, USTMA's Director of Government Relations, at (202) 682-4861 or smoore@ustires.org.

Sincerely,



Anne Forristall Luke
President and CEO
U.S. Tire Manufacturers Association

cc: The Honorable Donald J. Trump, President of the United States
The Honorable Steven Mnuchin, Secretary, U.S. Department of the Treasury