2021 LEGISLATIVE WRAP UP REPORT

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STATISTICAL OVERVIEW

1,033 bills were introduced in the 2021 special session of the Virginia General Assembly. This was a complicated year for statistical analysis because the regular session was limited to its Constitutional 30-days as compared to the customary 45-day session in odd numbered years. So, a special session was called by the Governor to begin on day 31 of the session. As such, not all bills originally introduced were carried forward to the special session and only a few new bills were introduced. This represents the 11th consecutive year the Virginia General Assembly has been in special session. Delegates were limited to seven (7) bills each and Senators were limited to twelve (12) each in the regular session. This curbed the proliferation of legislation that reached a record-high of 3,911 bills in the 2020 Regular Session and 488 in the 2020 Special Session.

For comparative purposes, this year's statistical analysis applies only to the special session. As such, in 2021 90% of the 1,033 bills introduced passed. Between 2013 and 2021, the pass rate went from 41% to 90%.

It should also be noted that 3,911 bills were introduced in the 2020 regular session; 3,128 bills were introduced in the 2019 regular session; 3,722 bills were introduced in the 2018 regular session; 2,959 bills were introduced in the 2017 regular session; 3,286 bills were introduced in the 2016 regular session; 2,776 were introduced in the 2015 regular session; 2,888 were introduced in the 2014 regular session; and 2,575 were introduced in the 2013 regular session. The chart below is a historical view of VMA legislative session activities.

Year	Bills Managed	Priority Bills*	Legislative Bulletin & Alerts	Government Affairs Council Meetings	Frequency Staff Testified Before Committees
2003	105	14	7	7	31
2004	160	17	29	7	46
2005	65	12	26	7	46
2006	114	14	31	7	37
2007	125	8	21	8	43
2008	122	11	18	8	32
2009	243	8	20	8	36
2010	346	12	36	9	43
2011	133	14	25	7	22
2012	548	16	32	8	30
2013	422	18	21	7	27
2014	379	16	18	9	28
2015	932	27	12	7	15
2016	534	26	18	7	36
2017	416	30	21	7	42
2018	374	29	39	8	47
2019	555	46	20	7	31
2020	577	18	33	9	51
2021	**170**	**38**	**38**	**8**	**43**

VMA also categorized the bills managed during this session into 18 policy areas to highlight the issues that required the greatest attention:

Legislation Category	'17	'18	'19	'20	'21
Budget	3	4	4	1	1
Civil Litigation					4
Constitutional	27	9	20	0	0
Economic Development	25	13	31	18	6
K-16 CTE Education/Workforce	68	41	80	41	9
Employment/Safety	6	8	10	7	13
Energy Regulation	37	82	58	100	37
Environmental	51	60	60	101	29
General Government	20	25	21	49	15
Health Insurance	13	25	44	45	1
Labor-Management	23	21	47	63	21
Procurement	14	9	12	7	3
Product Liability	5	4	15	9	0
Professional/Occupational Licensing	1	0	0	0	0
Taxation	75	38	90	78	17
Transportation	13	12	28	17	6
Unemployment	1	4	4	1	2
Virginia Chemistry Council			9	24	5
Workers Compensation	11	18	19	16	1

COALITIONS

The VMA generally avoids the entanglements that can be created by coalition advocacy. However, the new political dynamics in the Commonwealth require innovative government affairs strategies. Starting in 2019, the VMA began developing key business coalitions that would preserve foundational public policies such as "Right-to-Work" and oppose anticompetitive policies such as "Fair Share," product bans, and an electric-only energy plan. This resulted in the formation of the Coalition for a Strong Virginia Economy and Coalition for Consumer Choices, and the VMA joining Energy Choice for Virginia.

With 34 members and growing, the Coalition for a Strong Virginia Economy is the largest business association coalition in the Commonwealth. The work of the Coalition is credited with stopping the repeal of Virginia's Right-to-Work, stopping mandatory paid leave for all workers, preserving the "Dillon Rule," supporting low energy costs, opposing compulsory retirement plans, stopping hazard pay mandates, stopping new heat illness regulations, maintaining the ban on public employee strikes, stopping additional COVID-19 regulations, stopping new repetitive motion injury regulations for workers compensation coverage, stopping new regulations on employers for dismissing employees, and protecting the solvency of the Virginia Unemployment Insurance program. The Coalition is now permanent and organized by the VMA, NFIB, and Virginia Retail Federation.

The Coalition for Consumer Choices is part of a national campaign to stop the bans and restrictions on products like food containers, grocery packages, and drinking straws. Members include the American Chemistry Council, Foodservice Packaging Institute, Hampton Roads Chamber, NFIB, Northern Virginia Chamber of Commerce, Prince William Chamber of Commerce, Virginia Chemistry Council, Virginia Food Industry Association, Virginia Restaurant Travel and Lodging Association, Virginia Retail Federation, and VMA.

The Coalition was unable to stop the ban on polystyrene food packaging, HB1902 (D-Carr), but made the case for mechanical and advanced recycling solutions as alternatives to plastic packaging product bans. The ban passed with a 2025 effective date.

Energy Choice for Virginia is dedicated to improving the economic competitiveness of all existing businesses by helping them better manage their energy costs. The coalition's goal is to allow companies to purchase 100% renewable power from a licensed supplier or their utility. VMA announced its support for the Energy Choice for Virginia coalition on February 11 after all other cost containment measures were eliminated during the session. The coalition's singular focus was the passage of HB2048 that would allow for competition in the electric utility market for 100% renewable energy products.

2021 VMA PRIORITY BILL OVERVIEW

The VMA produced a 69% success rate with this year's 38 priority bills. 46% of the priority bills had Republican patrons and 54% had Democratic patrons. See our full Priority Bill report here.

Priority bills represent legislation that was introduced on VMA's behalf, or a coalition to which it belongs, and directly relates to VMA legislative priorities developed by members, member committees and the Board of Directors. They are supported by the VMA's Virginia MFG Competitiveness Plan.

We must give credit for these successes to specific priority bill patrons and leaders: Senators Bill DeSteph, Emmett Hanger, Janet Howell, Dave Marsden, Chap Petersen, Todd Pillion, Dick Saslaw; and Delegates Lashrecse Aird, John Avoli, Amanda Batten, David Bulova, Kathy Byron, Todd Gilbert, Jason Miyares, Ken Plum, David Reid, Luke Torian, Lee Ware; and Speaker Eileen Filler-Corn.

See every bill the VMA monitored during the 2021 Session in our full VMA Legislative Report.

Note: VMA affiliate organizations also work on industry-specific legislation in the policy areas of alcoholic beverage control and tobacco. Contact VMA Member Services at thefuture@vamanufacturers.com for more information.

2021 VMA DEFENSIVE BILL OVERVIEW

The VMA produced an 87% success rate with this year's 71 defensive priority bills. 7% of the select defensive priority bills had Republican patrons and 93% had Democratic patrons. See our full Defensive Priority bill report here.

This section provides details on only select defensive priority bills that required significant amendment, protection from amendment, or opposition to reduce or eliminate the negative impact on Virginia industry in relation to the priorities outlined in the VMA's Virginia MFG Competitiveness Plan.

Prior year defensive priority bills compare as follows:

- 2020 = 148
- 2019 = 37
- 2018 = 67
- 2017 = 44
- 2016 = 58
- 2015 = 43
- 2014 = 8

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? **Did you know** that Virginia is considered the "Mother of Presidents," with eight US Presidents born here? Virginia is the birthplace of George Washington, Thomas Jefferson, James Madison, James Monroe, William Henry Harrison, John Tyler, Zachary Taylor, and Woodrow Wilson. Harrison Tyler, the Grandson of President John Tyler, served on the VMA Board of Directors until shortly after his retirement in 2000.

Electrifying the VA Economy

Democrats Launch Progressive California Plan to Electrify the Commonwealth's Transportation Sector

Democrats' plans for an electric-only economy will subject all Virginians to one future source of energy for their homes, businesses, and vehicles, provided by three electric utilities (Dominion Energy, Appalachian Power Company/American Electric Power, Old Dominion Power/Kentucky Utilities/PPL Corporation), 13 electric cooperatives, and 16 municipal electric utilities. Electric utilities in Virginia are government regulated monopolies with essentially no competition, and there are limited opportunities for lowering consumer costs. This year, Democrats established a regulatory framework to electrify Virginia's transportation system. The mandates center on renewable energy sources only, and none of them effectively protect for rate impacts, reliability, national and economic security, or sustainability concerns expressed by consumer groups, such as the VMA.

This year's transportation electrification package built upon the 2020 Virginia Clean Economy Act (HB1526) that mandates 100% carbon-free power by 2045 for Dominion Energy and 2050 for APCO. Advocates argued that electricity costs will be reduced due to declining renewable energy generation costs and no fuel requirements. Industry argued that costs would skyrocket by as much as 24% within the next few years. The State Corporation Commission's latest assessment, provided as testimony on September 29, 2020 at an SCC proceeding, was that residential electricity costs will increase by 58%, commercial electricity costs will increase by 66%, and **industrial electricity costs will increase by 61% by 2030**[1] for Dominion Energy customers alone. None of these cost assessments included the transportation electrification costs from the legislation passed in the 2021 Virginia General Assembly.

Specifically, the 2021 Virginia General Assembly session involved six (6) primary transportation electrification bills. SB1223 (D-Boysko) alters the Virginia Energy Plan to establish a net-zero carbon target in the transportation sector by 2045, without any recognition of the limits of technology or impact on economic and national security. HB1965 (D-Bagby) directs the State Air Pollution Control Board to create a regulatory system for the emissions from new motor vehicles and engines by 2025, following the California combustion engine ban plan, and exempts the regulatory process from public scrutiny. HB2282 (D-Sullivan) directs the State Corporation Commission (SCC) to evaluate and recommend ways to achieve transportation electrification, charging infrastructure, and battery storage for the electric grid by May 1, 2022, but asks all the wrong questions. HB1979 (D-Reid) creates a publicly funded $2,500 - $4,500 electric vehicle rebate program for $55,000 electric cars and

[1] SCC, *Prefiled Staff Testimony of SCC Staff re: PUR-2020-00035*, September 29, 2020.

hides the source of funding. HB2118 (D-Keam) creates a Virginia Electric Vehicle Grant Fund and Program to allow for the replacement of commercial vehicles or heavy equipment that uses fossil fuels with electric vehicles. Lastly, SB1380 (D-Lucas) would have allowed electric utilities to charge ratepayers for 1,250 electric school buses to be granted to specific school districts, at a cost of $400 million to ratepayers – that bill failed.

The VMA organized 12 other business associations to express joint opposition to these bills and requested that Governor Northam veto them. The group requested that Governor Northam and the advocates for transportation electrification engage the business and economic development communities in a manner that would lead to a consensus approach with proper consideration of economic impacts. See letter here.

The major arguments against the transportation electrification plan are as follows:

1. The costs, economic consequences, and impacts on consumer choices are not considered.
2. It establishes a multi-year process to follow the California ban plan that could lead to the end of internal combustion engines and vehicles in Virginia and force the Commonwealth into the Transportation and Climate Initiative.
3. It improperly delegates the General Assembly's authority to an unelected Board (State Air Pollution Control Board) of seven (7) citizens that are political appointees of the Governor, and exempts them from public accountability and transparency (Virginia Administrative Process Act).
4. The batteries needed for an all-renewable electric grid and 7.5 million electric vehicles will require new hazardous waste sites, landfills, and recycling facilities to recover and dispose of the toxic materials in the batteries. (The average electric car has 550 pounds of batteries and less than 2% of batteries are recycled in the US.)
5. Electrification increases lithium-ion battery demand, which will exacerbate global environmental justice, human health, child labor, and supply-chain risks due to global dependency on cobalt mining in the Democratic Republic of the Congo, as well as cobalt refining in China.
6. Virginians do not want to be tied to California Air Resources Board (CARB) standards.
7. Roads, bridges, and tunnels in the Commonwealth are all built and maintained with taxes on fuel. Eliminating transportation fuel through electrification could jeopardize current road and infrastructure bonding.
8. There is no transparency to the consumer on electric utility bills.

The organizations expressed their support for a sustainable environment and for lowering carbon emissions. They also reiterated concerns about balancing environmental sustainability with economic security and government transparency. The group hit hard with its statement that:

> ***These fringe environmental policies ignore the pollution creation, economic and national security concerns of an electric-only economy, costs to electric ratepayers, and cheaper alternatives to a low-carbon economy. They also delegate the transformation of an entire economy essentially to seven people without compliance with the Virginia Administrative Process Act and try to hide costs from the consumer.***

It is still unknown how many billions of dollars the electrification of the transportation sector will cost Virginians. The unintended consequences are also unknown. **What is known is that Governor Northam ignored the business community and electric utility ratepayers. He signed all the transportation electrification bills without amendment or a response to the signatories of the business letter.**

For a detailed Legal Q&A on HB1965 – Virginia Air Pollution Control Board regulatory system for the emissions of new motor vehicles and engines by 2025 - ***See Addendum to this report****.*

VETO SESSION

Bill Watch

The Virginia General Assembly will reconvene on April 7, 2021 to consider the amendments and vetoes of the Governor on legislation passed during the special session. The VMA, Virginia Chemistry Council, Coalition for a Strong Virginia Economy, and Coalition for Customer Choices are seeking amendments to, the veto of, or support for the following bills and budget items:

- (HB1800) Budget. It requires unitary combined group corporate net income tax reporting as mandatory research assistance to the VA Tax Commissioner or face a $10,000 penalty. The VMA requested that the Governor veto Item 3-5.23 #1c.

  Governor Northam amended the bill to extend the reporting from June 1 to July 1, 2021.

- (HB1902) Polystyrene Ban. It bans polystyrene food containers for business, government, and non-profit use by 2025. The ACC, Virginia Chemistry Council, and Coalition for Consumer Choices requested that the Governor veto this legislation.

  Governor Northam signed the bill. Governor Northam also issued Executive Order 77 on March 23, 2021 banning Executive Branch procurement of single use plastics and polystyrene food containers within 120 days, which supersedes this bill.

- (HB1965) Air Board, Car and Engine Emissions. It delegates the regulation of car engines or ban of automobile CO2 emissions to the State Air Pollution Control Board by 2024. The VMA and a business coalition requested that the Governor veto the bill or at least amend it to require the Air Pollution Control Board to follow the Virginia Administrative Process Act (VAPA).

  Governor Northam signed the bill without amendment.

- (HB2118) Virginia Electric Vehicle Grant Fund and Program. Allows for grant funds to replace commercial vehicles or heavy equipment that uses fossil fuels with electric vehicles. Advocates for SB1380 will likely request Governor Northam amend this bill to incorporate the purchase of 1,250 electric school buses by electric utilities at the expense of electric ratepayers. VMA requested that no amendments be made to this bill.

  Governor Northam did not sign or amend the bill. It automatically becomes law now.

- (HB2282) State Corporation Commission report on policy proposals to accelerate transportation electrification. The VMA and a business coalition requested that the Governor amend the bill to expand the analysis to the impact on the manufacturing and retail supply chain supporting internal combustion engine automobiles.

  Governor Northam signed the bill without amendment.

- (SB1164) Advanced Recycling. It clarifies advanced recycling technologies and defines it as manufacturing, not solid waste management. The VMA, Virginia Chemistry Council, ACC, and the Coalition for Consumer Choices requested that the Governor sign the bill.

  Governor Northam signed the bill.

BOARDS, COMMISSIONS, COUNCILS & STUDIES

How to Create a Full-Time Legislature

Another way the VMA will help ensure Virginia's business competitiveness is through its ongoing involvement in the growing number of legislative/government boards, commissions, councils, and studies. This includes the following created this session:

Figure 1 - 2020 Day on the Hill

1. (HJ563) Work Group to study the feasibility of transitioning to a unitary combined reporting system for corporate income tax purposes.

2. (HB1800 – Item 114#4c, Item 376 #1c, Item 377#6c, Item 3-5.23#1c, Item 1#5c) Work Group to study advanced recycling regulation; Work Group to mitigate harmful algae blooms; unitary filing corporations forced disclosure to Tax Commissioner; Work Group to evaluate tax brackets, tax rates, credits, deductions, and exemptions for equity and other factors; and Commission on Local Government to study fiscal effects of mandatory property tax exemptions on the capacity of local governments to deliver essential services.

3. (HB1965) State Air Pollution Control Board to regulate all new automobile and engine emissions by 2024.

4. (HB2030) VDACS and stakeholders study application risks of neonicotinoid insecticides.

5. (HB2282) State Corporation Commission report on policy proposals to accelerate transportation electrification.

6. (SB1210) DEQ work group to develop annual fee schedule for nonhazardous solid waste management facilities and water withdrawal permits.

7. (SB1219) Directs the State Corporation Commission's Bureau of Insurance to review and make policy recommendations to meet the goals identified in the "Paid Family and Medical Leave Study" published by the Offices of the Secretary of Commerce and Trade and the Chief Workforce Development Advisor in September 2020.

8. (SB1319) Waste Diversion and Recycling Task Force to study battery waste, food residuals, and out-of-state trash.

Boards, commissions, councils, and studies can pose significant challenges if they have regulatory and/or permit authority or are exempt from public scrutiny. The actions of activists appointed to many environmental citizen boards are being used as a political tool to circumvent the legislature. This prompted the VMA's 2019 priority bill (HB705) to remove permit authority from DEQ Citizen Boards and align its authority with similar citizen Boards in the Regional Greenhouse Gas Initiative (RGGI) state footprint. It prompted the VMA's litigation in 2020 (*VMA v. Virginia DEQ & VA State Air Pollution Control Board (CASE NO. CL20-4918-(5)*). It also prompted the VMA's 2021 public policy to oppose any bill that exempts any regulatory process from the Virginia Administrative Process Act (VAPA).

The VMA will actively participate in all these legislative and regulatory activities throughout the year.

SUMMARY

The New Democrat Majority: Year 2

The new Democrat House and Senate majorities continued to expand upon their California and New England-modeled progressive and pro-Labor brand. This year's political agenda was focused on environmental justice; diversity and inclusion; new air, water and waste environmental regulations; renewable energy; bans on hydrocarbon-based fuels, energy, infrastructure, and electric generation; fee and tax increases; expanding cause of action liabilities against employers; expanding social services; mandatory paid leave for workers; mandatory retirement benefits for private sector workers; organized labor expansion; casinos; marijuana legalization; chemical and plastic product bans; banning internal combustion engines for transportation; electrifying the transportation sector through electric utility and taxpayer mandates; voting regulation relaxation; undocumented student financial aid; expanding judges on court of appeals; and ending the death penalty. To give you a visual representation, VPAP assembled an exhaustive vote score chart in their recent publication "Democrats Muscle Agenda Through Legislature" that illustrates the political partisanship emblematic of this General Assembly.

The most strident voices this session thread the themes of race, environment, climate, and environmental justice through just about every area of policy. We reported last year that the refrain, "What's the social cost of carbon?" and "We have to do something!" was repeated often as was noted by Delegate Lee Ware in his opinion piece on March 11, 2020. Even though the US EPA's social cost of carbon measurement ranges from $7 to $50 per ton of carbon dioxide emissions, the spending and mandates on electric utilities and customers is mismatched. The New Democrat majority has spent the most money in history on the least affordable renewable energy and carbon emission reduction solutions, and has ignored pleas for affordable, reliable, secure, and sustainable energy.

So, breaking through this wall of legislation with our legislative priorities was exceedingly difficult due to the inaccessibility of legislators. The House of Delegates broke 402 years of tradition and convened via virtual hearings and meetings only. The Senate met in person, but under strict safety conditions at the Virginia Science Museum with no public access. The Virginia General Assembly's office building was also closed to the public. However, Senator Bill DeSteph (R-Virginia Beach) filed a lawsuit challenging the decision to close the General Assembly's office building and an agreement was reached that four conference rooms in an office building adjacent to the Virginia Science Museum would be made available for appointments with constituents. Regardless, House and Senate Committee and Subcommittee meetings were notably truncated (usually limiting testimony to 2 minutes) and in some cases allowed no public testimony. Our democratic values of transparency, accessibility, equity, and deliberation were diminished this legislative session.

Despite these challenges, the VMA produced a 69% success rate with its priority bills and was able to defeat or amend 87% of its defensive priority bills. Dependable coalition partners that share our commitment to competitiveness, and strong bi-partisan relationships, continued to pay dividends. As such, we want to recognize the key patrons, copatrons, and leaders involved in our high priority bills: Senators Bill DeSteph, Siobhan Dunnavant, Emmett Hanger, Janett Howell, Lynwood Lewis, Chap Petersen, Todd Pillion, Dick Saslaw; and Delegates Lashrecse Aird, John Avoli, Hala Ayala, Jeff Bourne, David Bulova, Kathy Byron, Todd Gilbert, Jay Jones, Ken Plum, Luke Torian, Will Wampler, Lee Ware, Rodney Willett, as well as Speaker Eileen Filler-Corn.

Prior to this session, the VMA published and distributed to the Virginia General Assembly, the "Virginia MFG Competitiveness Plan." The 18-point plan, built upon "A Vision for a More Competitive Virginia Manufacturing Sector" and the "VA MFG Competitiveness Index," covers issues ranging from climate change to workers compensation. In its preamble, the Plan states:

> *Due to the global nature of manufacturing, industry is susceptible to the increasing costs of worker training, taxation, energy, and regulation. Virginia has an opportunity to reinforce its position as a national leader in manufacturing. We must advocate for common sense legislation which supports industry to strengthen Virginia's competitiveness.*

This is intended as a "playbook" for legislators to help them support the manufacturing sector in Virginia. It is our intention that the newly empaneled Virginia Manufacturing Development Commission will embrace these resources and help champion competitive public policies to grow the manufacturing sector in the Commonwealth. Members also distributed these resources through the 2021 Virtual VMA Day on the Hill meetings with over 27 legislators.

The 2021 Virginia legislative session was also marked by a precipitous reduction in the number of bills allowed to be introduced during this "short session" (thankfully, because the 3,911 bills introduced during the 2020 regular session was unsustainable). However, the 1,033 special session bills were intense. The General Assembly's lack of analysis and investigation into the economic effects of legislation on consumers remains shocking but is not entirely new – just the scale of economic impacts has increased. As an example, the entire deliberation and debate over delegating the regulation of Virginia's entire transportation sector (7.5 million automobiles) to an unelected, politically appointed Board of seven people (State Air Pollution Control Board) shielded from public accountability (Virginia Administrative Process Act) had less than 2 hours of testimony and debate and involved no economic impact assessment on the consumer or the economy. A bill of this magnitude should have had no fewer than 12 public hearings across the Commonwealth over a year to obtain feedback from the public and solicit alternative strategies to reduce carbon emissions from the transportation sector – similar to the process employed to justify raising transportation taxes on the I-81 corridor.

The Virginia General Assembly also adopted a $143 billion biennium budget loaded with mandates and language that should have been bills. It is becoming commonplace to regulate through the budget bill and shield difficult issues from scrutiny. This has been a political tactic of both parties over the years, but particularly expansive under the New Democrat Majority. Regardless, the budget has increased by 33% since 2017. In fact, it jumped from $116.6 billion in 2018 to $143 billion in 2021. This level of spending is unsustainable without broad-based tax increases soon – transportation taxes, permit fees, manipulation of IRC Tax Conformity, and other tactics have been nearly exhausted.

Despite the alacrity with which the New Democrat majority is passing its legislative agenda, there were some checks and balances. This session, the Senate demonstrated remarkable bipartisanship in rejecting some employer mandates (e.g., mandatory employer paid leave) and supporting small business (e.g., Payroll Protection Program expense deductibility up to $100K). They also sent a strong signal that repealing the Right-to-Work was a non-starter. But the surprise of the session was their rejection of the aggressive Environmental Justice legislative package that would have fundamentally altered Virginia's environmental permitting process and economic development future.

In closing, the VMA has developed legislative champions and will continue to build influence within the New Democrat Majority, whose leadership is almost entirely based in Northern Virginia and politically aligned with California and New England. It is an educational process that will take time and effort, but it requires regular access to legislators and open businesses. We are at our best when we demonstrate that *Manufacturing Makes Virginia*™ through plant tours and product demonstrations. Representative governance requires public participation and "Zoom hearings" without access to legislators is an inadequate proxy. We are building momentum for a better 2022.

Legislative Highlights

The remainder of this Summary highlights specific bills in the policy areas of COVID-19, Economic Development, Energy, Environment, Environmental Justice, Executive Authority, Labor/Management, Marijuana Legalization, Public Procurement, and Transportation.

COVID-19 Vaccination

The Virginia General Assembly demonstrated bipartisan leadership in response to the Northam Administration's slow vaccination implementation. HB2328, HB2333, and SB1445 all directed the Virginia Department of Health to expand COVID-19 vaccination delivery to volunteers and others qualified to administer the shots. On January 6, 2021 the Virginia Progress-Index reported that Virginia's vaccination rate ranked 5th worst in the United States.

Of course, these bills were the last bipartisan agreements on how to regulate COVID-19. The Republicans introduced several bills to curb the Governor's Executive Authority. SB1131 and HB2087 would have limited the duration of any executive order issued by the Governor pursuant to his powers under the Emergency Services and Disaster Law to no more than 45 days from the date of issuance. SB1237 would have provided that any person who is affected by an order of quarantine may file an appeal in the circuit court for the city or county in which he resides or is located, or the circuit court for the jurisdiction or jurisdictions for any affected area. SB1378 would have limited the duration of any rule, regulation, or order issued by the Governor pursuant to his powers under the Emergency Services and Disaster Law to no more than 30 days from the date of issuance. All these limits on the Governor failed on party-line votes.

Economic Development

The VMA monitored and managed six economic development bills. Virginia continues to lack focus on small business, entrepreneurship, and trade and is still firmly committed to traditional economic development strategies (e.g., recruiting, mega-sites, incentives, grants). The VMA anticipates working with the next Governor to create a sector strategy to improve Virginia's manufacturing competitiveness. Meanwhile, the VMA continues its advocacy to expand international trade services to manufacturers through Trade Builds Virginia and VITAL. The VMA is also working on other partnerships to reshore critical infrastructure sectors and improve the maritime industrial base supply chain.

This legislative session, the VMA supported two budget amendments for VEDP ($1.1 million - Item 130 #3c) & VDACS ($250,000 - Item 98 #2c) that support initiatives identified in the Commonwealth's International Trade Plan: https://budget.lis.virginia.gov/amendment/2021/2/SB1100/Introduced/FA/130/2s/. The VMA contributed to the development of the Commonwealth's International Trade Plan, has members serving in an advisory capacity to VEDP, and has adopted a goal of expanding international manufactured goods trade 50% by 2025. These resources will enable dozens of small and medium manufacturers find markets and increase market share in key countries.

Energy and Environment

The VMA managed and monitored 28 environmental and 37 energy bills this session. These policy issues have become politically synonymous. It is no longer academic speculation – environmental activists have been successful in using environmental legislation and regulation to control energy markets. Many of this year's bills continue to be motivated by the National Caucus of Environmental Legislators (NCEL) priorities and formed with support from the USC Digital Environmental Legislative Handbook. These initiatives are also funded by deep pocket organizations in California, New York, Washington D.C. and Charlottesville, VA. The VMA spends a great deal of its legislative efforts on balancing competing regulatory interests because industrial issues are complicated and generate passionate positions at both ends of the political spectrum.

Advanced Recycling

The VMA, Virginia Chemistry Council, and American Chemistry Council continued the successful demonstration of environmental sustainability principles based upon environmental, societal, and economic balance. Industry's circular economy goals continue to be a major focus of VMA's advocacy to educate the new majority about options other than product bans and taxes. This materialized in the form of a second advanced recycling model bill – SB1164. We succeeded in a deeply divided General Assembly to win 90-8 in the House and 34-4 in the Senate. This made Virginia only the 10th state to pass the advanced recycling model bill and, coupled with last year's advance recycling incentive bill, the first state to have the model bill with related economic incentives in the U.S.

Buy American Energy

A great success for energy policy this year was the VMA's SB1295, requiring Dominion Energy, in the construction of certain offshore wind, onshore wind, solar, and energy storage facilities, to procure, subject to a competitive process, equipment from a Virginia-based or United States-based manufacturer using materials or product components made in Virginia or the United States, if reasonably available and competitively priced. The VMA argued that importing "dirtier" products and materials exacerbates the very climate change challenge that the Virginia General Assembly is trying to resolve with the Virginia Clean Economy Act mandates on utilities. Dominion Energy assisted with the development and passage of the bill. This bill should create over $10 billion in economic opportunities for Virginia and US manufacturers.

Energy Intensive Trade Exposed Industries

Unfortunately, energy policy developments were far less positive for consumers concerned about reliability, affordability, and security (see pages 7-8 of this report). The VMA was unsuccessful this session in obtaining State Corporation Commission consideration for electricity rates charged to Energy Intensive Trade Exposed (EITE) manufacturers. HB2281 would have established an SCC EITE Customer Exemption Program for EITE Industries from the non-bypassable charges of the Virginia Clean Economy Act (VCEA) and required the SCC to use the U.S. American Clean Energy and Security Act and California Public Utility Commission's "California Industry Assistance" program as guidance.

"Energy-intensive trade-exposed" (EITE) industries are defined as companies that are constrained in their ability to pass through carbon costs, due to international competition, and engage in importation of products that cause emission leakage, identified by the NAICS, and defined within the American Clean Energy and Security Act of 2009. EITE industries also mean critical infrastructure facilities identified by the U.S. Department of Homeland Security, the U.S. Department of Defense through its Critical Infrastructure Program, and the Cybersecurity and Infrastructure Security Agency and its Defense Industrial Base Sector.

The VMA argued that the bill would avoid "emissions leakage" to more carbon-intensive competitors (foreign and domestic) and was necessary to mitigate the economic risk to Virginia EITE industries facing higher energy costs due to climate change regulation/legislation. The U.S. American Clean Energy and Security Act (H.R. 2454 – 2009) established a structure whereby emission allowances to qualified EITE industries would counter economic risks against major competitors that have no GHG emission caps (e.g., iron and steel, aluminum, cement, glass, and paper). "Carbon leakage" is recognized by the US Congress, US EPA, and states like California[2].

The 2020 Virginia Clean Economy Act (VCEA) has been estimated by the State Corporation Commission to increase industrial electricity rates by 61% in the coming decade. This estimate does not account for new costs imposed on consumers in the 2021 legislative session. Also, according to the 2020 VA MFG Competitiveness Index, Virginia now ranks #20 in the U.S. for Average Retail Electricity Price for Industrial Customers, Cents per KwH (Aug 2020). This puts Virginia behind every Southern state competitor except North Carolina (#23) and Florida (#26).

The VMA also educated legislators that this policy has precedents. The U.S. American Clean Energy and Security Act (H.R. 2454 – 2009) considers an industry to be "presumptively eligible" for emission allowance allocations (or "rebates") if the industry's energy intensity or GHG intensity is at least 5 percent, and its trade intensity is at least 15 percent. In addition, H.R. 2454 considers an industry to be "presumptively eligible" if its energy or greenhouse gas intensity is at least 20 percent, regardless of its trade intensity[3]. Also, the CPUC in California has already adopted a similar Industry Assistance program and the state of Washington is considering one as well. One cannot imagine how difficult it was for VMA staff to testify that California had any good regulatory ideas!

In plain language, if energy policies make a Virginia EITE manufacturer's products non-competitive, we must do everything possible to avoid "dirtier" imports, worse global GHG emissions, and domestic job/economic losses. The irony is that the VMA's EITE bill failed but a bill giving similar cost exemptions to Facebook (HB1907) passed and the company is one of the leading advocates for the Virginia Clean Economy Act (VCEA) that is driving up the cost of electricity. Politics…

Electric School Buses

This was a $400 million battle for the second consecutive session for electric ratepayers. Details are in the "Electrifying Virginia's Economy" section of this report on page 7. Virginia Mercury also published an exhaustive article on the issue.

Natural Gas

The New Democrat Majority increased its focus on transitioning electricity generation to 30 percent renewables by

[2] California CPUC, *Industry Assistance*, 2020.

[3] US EPA - US Interagency Report…, *The Effects of H.R. 2454 on International Competitiveness and Emission Leakage in Energy-Intensive Trade-Exposed Industries*, December 2009.

2030, 100 percent carbon-free electric power by 2040, and achieving net zero carbon emissions by 2045. In fact, SB1284 rewrote the Virginia Energy Plan to state:

> *The Commonwealth further recognizes that addressing climate change requires reducing greenhouse gas emissions across the Commonwealth's economy sufficient to reach net-zero emission by 2045 in all sectors, including the electric power, transportation, industrial, agricultural, building, and infrastructure sectors.*

This statement essentially means the phase-out of natural gas from Virginia's economy by 2045. This policy statement is an existential threat to industrial businesses that use natural gas for raw material, feedstock, fuel, and thermal purposes. It is also a threat to the reliability of the electric grid and ignores the direct benefit to affordable carbon emission reductions in electricity generation. So, the natural gas industry, the VMA and a few other parties that understand the necessity of clean natural gas to the economy and carbon emission reductions, were able to secure important language in the same bill:

> *F. The Commonwealth Clean Energy Policy is intended to provide guidance to the agencies and political subdivisions of the Commonwealth in taking discretionary action with regard to energy issues and shall not be construed to amend, repeal, or override any contrary provision of applicable law. Nothing in this section shall preclude reliable access to electricity and natural gas during the transition to renewable energy…*

This bill passed the Senate (21-18) and the House (55-45) on party line votes. It was a small victory, but a win, nonetheless.

SB1265 authorizes DEQ to conduct inspections of the land-disturbing activities related to construction of any natural gas transmission pipeline equal to or greater than 24 inches inside diameter and issue stop-work orders for substantial adverse impacts or likely adverse impacts are found on a repeated, frequent, and widespread basis. This is a new tool for the ENGO community to use in harassing natural gas transmission pipeline projects, driving up the cost of construction, and stopping their development, like what was used against the Atlantic Coast Pipeline. No such statute exists for land-disturbing activities related to the construction of any solar, onshore wind, offshore wind, or energy storage development.

Nutrient Trading

The VMA was successful in reforming a Virginia nutrient trading statute. Due to the current statutory limitations, industrial facilities that operate under an individual Virginia Pollutant Discharge Elimination System (VPDES) permit, which regulates stormwater discharges, were unable to utilize available nutrient credits, generated by certified controls. Other industrial facilities and municipal facilities that operate under a general Industrial Stormwater Permit, could participate. Even if a facility operated under an individual stormwater permit that incorporated all the conditions of the general industrial stormwater permit, the individual permit holder could not trade as an option to meet its permit limits. HB1982 amended the current statute to allow members which are granted an individual permit holder to participate in the nutrient transfer program. The bill even earned the endorsement of the Chesapeake Bay Foundation, and the Chief Patron of the legislation, Delegate David Bulova, is the Virginia representative to the Chesapeake Bay Commission.

Environmental Justice

The Virginia Council on Environmental Justice (SB883) was created in 2020. The new statute defines "environmental justice (EJ)" as the fair treatment and meaningful involvement of all people regardless of race, color, faith, disability, national origin, or income, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy. It defines "fair treatment" as the equitable consideration of all people whereby no group of people bears a disproportionate share of any negative environmental consequence resulting from an industrial, governmental, or commercial operation, program, or policy. All 21 members were appointed by the Governor and there was no requirement to have business representation. Few business groups fully understood the ramifications of this new regulatory tool on business operations. However, this development solidified the integration of racial and social factors into all environmental permits, policies, and infrastructure decisions in the Commonwealth.

In the 2021 legislative session, an expanded and coordinated suite of EJ bills were introduced by environmental

non-government organizations (ENGOs): HB2074, HB2221, HB2313, SB1318, and SB1373. In the VMA's advocacy on this issue, we reiterated that the VMA and its member companies support the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations, and policies. We also acknowledged that translating this environmental justice (EJ) public policy into meaningful regulatory language is a significant challenge and it is essential that Virginia build consensus around it. As such, the VMA requested that all EJ bills required further evaluation for unintended consequences and practical application. The VMA also advocated for the Virginia General Assembly to direct DEQ to engage the business community in further deliberation to produce a consensus bill for reconsideration in the 2022 General Assembly session.

The VMA provided regular and detailed regulatory and legal analysis of these bills throughout the legislative session. The VMA EJ Working Group was empaneled for additional technical support that was instrumental to our work. Essentially, our core comments reiterated the same concerns we expressed in 2020:

1. Ensure that there is certainty and consistency in how environmental justice requirements are incorporated into the permitting process, so that new environmental permits and environmental permit modifications will not be more difficult or take longer to obtain.
2. Consider whether existing public participation requirements in DEQ's permitting processes are sufficient to ensure adequate participation by environmental justice communities.
3. Assess how to address the inevitable conflict between an industrial facility that has been in place for decades and a low-income community subsequently develops adjacent to that permitted facility.
4. Determine how to address situations where local government land use planning decisions result in the siting of residential housing near established manufacturing facilities.

Ultimately, all five bills failed for reasons related to their overreach. Examples include exempting Executive Branch staff managing EJ regulations from Freedom of Information Act inquiries to mandating that many environmental permits notify by mail all landowners in a five-mile radius of the property about "potential" health and environmental impacts from their operation. The VMA demonstrated that in Richmond this could be over 226,000 people and 179,000 people in Newport News. The VMA itemized fifteen specific complaints with the bills. But what we learned this session was that our concerns that the codification of EJ into environmental permitting and Executive Branch authority was primarily focused on creating a new regulatory "veto" system over the existing DEQ permitting process were well founded. The Senate defeated all five bills.

For more information on Environmental Justice, a Virginia Mercury article covered the conflict within the Democrat-led House and Senate well.

Labor/Management

It is no secret that organized labor has found a friendly new majority and chief executive. 21 labor management bills were introduced during this year's special session. The effort to repeal the Right-to-Work expanded with 17 Delegates and a Senator signing onto the bill in regular session. Virginia's only Socialist legislator, Delegate Lee Carter, continues to be organized labor's doyen. The good news is that the attack on Right-to-Work failed again this year.

Mandatory paid leave mandates on all employers also failed in the Senate this year. Organized labor continued to push for five days of mandatory paid leave for all part-time and full-time workers. Ultimately, the only bill that passed was HB2137 that provided for mandatory paid time leave for certain part-time and full-time home healthcare workers. This is now a "blueprint" embedded in the Code of Virginia for organized labor to amend each year to incorporate one industry or occupation at a time.

Efforts to delay the Virginia minimum wage increase failed. HB2270 would have delayed the increase to $9.50 per hour until January 1, 2022 and reenact the increase to $13.50 and eventually $15.00 in future sessions. Businesses continue to argue that the wage increase creates substantial disparity in rural areas, and well as in specific industries, and occupations. The VMA continues to advocate for a minimum wage calculation that incorporates total compensation, not just wages. Regardless, the real-world impact will be increased prices, wage compression, and fewer new jobs.

HB2174 creates a new employer and employee retirement savings plan participation mandate for all for-profit and non-profit employers with 25+ employees. Only an employer that sponsors, maintains, or contributes to an automatic enrollment payroll deduction IRA or a qualified retirement plan in compliance with federal law for its employees is exempt. "Virginia Saves" directs the governing board of the Virginia College Savings Plan to establish a state-facilitated individual retirement account (IRA) savings program. The Board will have complete regulatory control, including assessing an employer penalty of up to $200 per employee annually for non-compliance. This type of program has not succeeded in any other state attempted, and the expected payroll deduction is estimated to be 5%. To make matters worse, Governor Northam amended the bill to strike the requirement to work 30 hours per week to qualify, so now the bill applies to all workers in these organizations. Time will tell how younger workers in retail and other industries respond to the state confiscating 5% of their wages to force them to save for retirement when they need cash to start their careers and lives.

Marijuana

The VMA managed and monitored eight primary marijuana legalization, processing/manufacturing, and regulation bills this session. HB1862 prohibits an employer from discharging, disciplining, or discriminating against an employee for such employee's lawful use of cannabis oil pursuant to a valid written certification issued by a practitioner for the medical treatment. The bill protects an employer's ability to address work impairment caused by the use of cannabis oil or to prohibit possession during work hours; comply with federal law or protect its federal contract or federal funding; and draws a bright line test that any defense industrial base sector employer does not have to hire or retain any applicant or employee who tests positive for tetrahydrocannabinol (THC) in excess of certain amounts. The defense industrial base exclusion is a "blueprint" for expansion of this protection to other critical infrastructure sectors including manufacturing and energy.

SB1333 and HB2218 allows pharmaceutical processors to produce and distribute cannabis products. HB1988 streamlines the regulation of cannabis oil processors and dispensing by pharmaceutical processors. HB1815 and SB1243 establishes a regulatory scheme for the regulation of marijuana cultivation facilities, marijuana manufacturing facilities, marijuana testing facilities, and retail marijuana stores by the Board of Agriculture and Consumer Services.

SB1406 and HB2312 decriminalizes the simple possession of up to one ounce of marijuana by persons 21 years of age or older, modifies several other criminal penalties related to marijuana, creates the Virginia Cannabis Control Authority (the Authority), the Cannabis Oversight Commission, the Cannabis Public Health Advisory Council, the Cannabis Equity Reinvestment Board and Fund, the Virginia Cannabis Equity Business Loan Program and Fund, and establishes a regulatory and licensing structure for the cultivation, manufacture, wholesale, and retail sale of retail marijuana and retail marijuana products. Certain provisions of the bill require reenactment by the 2022 Session of the General Assembly.

Governor Northam remitted a surprise substitute bill on March 31, 2021, making substantive changes to SB1406 and HB2312. Most notable was the insertion of language on lines 7295-7298 (page 148 of a 283-page bill) requiring that any company obtaining a license must give up their rights to defend themselves against unionization, among other organized labor giveaways. The language states:

> *§ 4.1-900. Grounds for which Board may suspend or revoke licenses.*
> *p. [Licensee] Has refused to (i) remain neutral regarding any union organizing efforts by employees, including card check recognition and union access to employees; (ii) pay employees prevailing wages as determined by the U.S. Department of Labor; or (iii) classify no more than 10 percent of its workers as independent contractors and such workers are not owners in a worker-owned cooperative.*

VPM/NPR broke the story on March 30, 2021. Governor Northam made no reference to this amendment in any of his veto session press releases or public comments. The VMA opposed this amendment and asked the Virginia General Assembly to sever this clause from the Governor's amendments. It is a dangerous precedent and is a direct attack on Virginia's Right-to-Work protections.

Procurement

Personal Protective Equipment – Buy Virginian

The VMA championed SB1222, which would have required a state agency, whenever purchasing personal protective equipment (PPE) for public use, to purchase such PPE from a Virginia-based company or manufacturer, or a manufacturer that uses materials made in the United States. The bill also provided that if a state agency is unable to purchase PPE from such company or manufacturer, it may purchase from another company or manufacturer, pending the results of independent laboratory testing of the PPE.

The VMA's rationale was that dependence on foreign PPE manufacturers, supplies, and price volatilities puts Virginians at risk; Virginia's current Lowest Price Technically Acceptable (LPTA) procurement system for PPE is inappropriate considering the importance of the products being procured; the Commonwealth has a responsibility to provide for contract opportunities for Virginia manufacturers that converted operations to PPE in order to help ensure those supplies are always available; and quality and independent laboratory testing protects consumers from fraudulent imported products and are essential to any PPE procurement.

Astoundingly, the bill passed the Senate General Laws Committee (13-2) but was referred to the Senate Finance and Appropriations Committee where the Northam Administration objected to the bill and it was defeated (5-10) on a party line vote. This sent a terrible message to those manufacturers that made substantial investments to shift operations to PPE in response to the pandemic and will have a chilling effect on continued investments.

Taxation

Personal Protective Equipment – Sales Tax Exemption

One of our great successes of the session was the passage of HB2185/SB1403, which creates an immediate exemption from the Virginia sales tax for fifteen different personal protective equipment (PPE) categories and products for businesses in compliance with the state COVID-19 regulation. These bills were estimated to be worth $11 million in avoided costs for business. Both bills passed both bodies unanimously. Amazingly, these bills were in trouble early in the session. A major breaking point was when Speaker Eileen Filler-Corn got directly involved and House Appropriations Committee Chairman Luke Torian signed onto Delegate Byron's HB2185 as a Co-Patron. By the end of the session, there were 20 Co-Patrons to HB2185.

Port Tax Credit

SB1158 extends the sunset for the international trade facility tax credit, the barge and rail usage tax credit, and the port volume increase tax credit from taxable years before January 1, 2022, to taxable years before January 1, 2025. This tax credit is an important tool in helping manufacturers expand exports by 50% by 2025.

Payroll Protection Program (PPP) – IRC Conformity

The biggest tax battle of the session was IRC Conformity and how to deal with PPP income and expense calculations for tax purposes. The U.S. Congress was perfectly clear that none of the PPP income should be taxed and all expenses should be exempted from state income taxation. The Governor only wanted to recognize the income exemption. The House of Delegates did not want to tax the income but only recognize $25,000 of expenses. The Senate ultimately prevailed in a deal with the business community for no revenue and only $100,000 of expenses.

Transportation and Climate: California Ban Plan

See the "Electrifying the VA Economy" section of this report on page 7, or the following Addendum with additional legal details on HB1965 on page 20 allowing for the ban of the internal combustion engine.

For more information on every VMA monitored and/or managed bill, join a VMA Committee today and be part of charting our path forward. #MFGMakesVA.

ADDENDUM

HB1965 LEGAL Q&A: State Air Pollution Control Board to Create a Regulatory System for the Emissions from New Motor Vehicles and Engines by 2025

HB1965 references compliance with 42 USC § 7507. What is this statute?

The United States Congress reserved regulation of air emissions from mobile vehicles for EPA to create consistent standards in a nationwide program (42 USC § 7521). Congress specifically banned states from creating their own mobile source air emission programs under 42 USC § 7543(a). However, Congress provided EPA with the power to grant a waiver to this restriction under 42 USC § 7543(b). A state must apply for this waiver to EPA to create its own program. Subsequently, Congress enacted 42 USC § 7507 under the Clean Air Act nonattainment program that permits states that have an approved Nonattainment State Implementation Plan (SIP) to choose to adopt the more stringent California Air Resources Board (CARB) standards. At present, California is the only state that has mobile source program in place with an approved waiver from EPA under 42 USC § 7543(b).

Thirteen states are currently using § 7507 to apply the CARB standards to their states, in lieu of the less stringent federal standards: Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Jersey, New Mexico (2011 model year and later), New York, Oregon, Pennsylvania, Rhode Island, Vermont, and Washington (2009 model year and later), as well as the District of Columbia. These states are known as CARB states or § 177 States (per the relevant section of the Clean Air Act). They must have a Nonattainment Plan in place, but the use of § 177 does not have to be approved by EPA. The statutory language makes them eligible. The CARB rules also do not have to pertain only to the area in nonattainment. Virginia's Nonattainment Plan for Northern Virginia for the 2015 Ozone NAAQS was approved on April 16, 2020.

Does this authorize the Virginia Air Board to regulate all emissions of all automobiles and engine emissions?

If the rules regulate all automobiles and engine emissions, then yes. HB1965 limits the Virginia Air Board's authorization to adopt standards pursuant to § 177 and authorizes the creation of regulations consistent with the CARB regulations approved by the EPA waiver. The authorization is as broad as the current CARB rules approved via waiver. The additional California initiatives to prohibit the sale of vehicles under state rules would not provide the Virginia Air Board with additional scope in its authority. Measures approved by EPA under the waiver are solely authorized under § 177.

Could that include phasing out the internal combustion engine?

Yes, if the CARB rules as approved under the EPA waiver have a phase out. But it does not currently mention approval of this ban per the EPA waiver - https://www.gov.ca.gov/wp-content/uploads/2020/09/9.23.20-EO-N-79-20-text.pdf.

Does this only apply to non-attainment areas?

No, this applies to all areas; however, state eligibility is determined by having at least one nonattainment area.

What are the California connections in this bill?

§ 5 of 10.1-1307.04 is an emissions credit system that is part of the Advanced Clean Car program in California. Other § 177 States have proposed similar regulations to build a separate credit program based on the CA model.

How can Virginia be tied to a California standard?

One argument is that the Virginia Air Board would be entering into an interstate compact with another state without permission from Congress. With RGGI, the VMA initially argued that the General Assembly did not authorize this; however, this statute would appear to provide an authorization for the mobile source program.

Another argument is that the statute ties Virginia to regulations in California that can be changed and then applied, without consent from Virginia. At a minimum, the statute should have provisions that limits changes by CARB until Virginia DEQ reviews them and the Air Board passes them under full Virginia Administrative Process Act regulation.

If California changes their standards, are we tied to those changes?

Potentially, depending on how the Virginia Air Board drafts the regulation flowing from this statute.

Could we sue arguing that Virginia failed the tests (arbitrary and capricious, need, and inconsistent enforcement of procedures) established in Federal Code?

§ 7507 states "*Notwithstanding § 7543(a) of this title, any State which has plan provisions approved under this part may adopt and enforce for any model year standards relating to control of emissions from new motor vehicles or new motor vehicle engines…*" Regardless of the standards/requirements in § 7543(a), § 7507 provides for the adoption of the California standards. In other words, § 7543(a)'s analysis no longer applies, so it is not an avenue for challenge. However, § 7507 has the prerequisite of being in nonattainment.

Virginia will have to apply to EPA for a SIP revision to make these changes. It is possible that EPA could take the position that the mobile source standards are not needed to attain compliance with the 2015 Ozone NAAQS.

Special thanks to Liz Williamson, Esq., VMA Air Subcommittee Legal Counsel, Williams Mullen LLC for producing this Legal Q&A.

To contribute to the VMA's *Virginia Manufacturing Competitiveness Plan*© or participate in its government affairs program, contact Member Services at thefuture@vamanufacturers.com.

Since 1922, the VMA has exclusively served as *Industry's Advocate*™ and our mission is to create the best business environment in the United States for world-class advanced technology businesses to manufacture and headquarter their companies for maximum productivity and profitability.

2021 Legislative Wrap Up Report

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