



## COVID-19 INDUSTRY DISCUSSION FORUM MEETING NOTES

MARCH 31, 2020

### MEMBERS

#### INDUSTRY & PARTNERS:

David Adelsheim, Ross Allen, Evyan Andries, Fawn Berrie, Jessica Blauert, Terry Brandborg, Ellen Brittan, Julia Burke, Kevin Chambers, Kerry Damon, Ariel Eberle, Bertony Faustin, Denise Flora, Bob Hackett, Robert Hanson, Anna Hatcher, Dan Jarman, Ken Johnston, Hilda Jones, Eugenia Keegan, Joel Kiff, Ed King, Jodee King, Justin King, Jean Kurtz, Nora Lancaster, Laurie Lewis, Kelly Luzania, Jesse Lyon, Cathy Martin, Jana McKamey, Morgen McLaughlin, Mike McNally, Elin Miller, Donna Morris, Bob Morus, Scott Neal, Mia Noren Ximena Orrego, Gary Oxley, Alyssa Petroff, Bruce Sonnen, Barb Steele, Andy Steinman, Jessica Thomas, Steve Thomson, Jason Tosch, Christie Totten, Dan Warnshuis

#### STAFF:

Margaret Bray, Marie Chambers, Tom Danowski, Christina DeArment, Stacey Kohler, Kai McMurtry, Sally Murdoch, Bree Stock, Jess Willey

### OBJECTIVE

Experts to share updates on the following: Special Oregon legislative session, recent federal action (HR 748: "CARES Act"); labor law issues related to COVID-19 legislation and executive orders. Association representatives to share updates on events, activities and programming.

### BACKGROUND

This Oregon wine industry forum offers an opportunity for business leaders from around the state to come together periodically during the COVID-19 crisis to share what is known and to identify gaps in our understanding of key issues that deserve continued attention.

### SUMMARY OF DISCUSSION

#### Oregon Legislative Updates

- Dan Jarman (Crosswater Strategies / Oregon Winegrowers Association lobbyist) provided the following update on developments in Salem:
  - State legislators and regulators had been under the impression that the wine industry was doing "just fine," so OWA sent an alert asking industry members to contact lawmakers and other key government officials to relay challenges related to forced restrictions on normal operations in response to COVID-19. Additional letter-writing is welcome to keep the industry's needs front-of-mind.
  - A special legislative session has not yet been called. Achieving a quorum may be problematic due to social distancing, especially of lawmakers in higher-risk categories, and building access limitations. Governor Brown is evaluating what can be done with executive order vs. legislation.
  - An area requiring legislative action deals with tax-related issues that impact cash flow. The Governor does not seem inclined to delay estimated 2020 tax payments (due 4/15) and corporate activities tax (CAT) estimated payments (due 4/30).
    - The Department of Revenue is expected to issue a clarification soon related to CAT estimated payments.
    - An unresolved issue from the last legislative session would make a technical fix to the CAT, allowing ag producers to decrease their liability.
    - Evyan Andries (Oxley & Associates / Oregon Wine Council lobbyist) explained that the business community is pushing hard to defer CAT payments.
    - It is estimated that fewer than 50 Oregon wine businesses are directly impacted by the CAT.
  - There is an effort to push the Governor's office and Oregon Health Authority for clearer guidelines around social distancing requirements included in recent Executive Orders from the Governor.



- For now wineries and vineyard workers are encouraged to follow OSHA standards.
- Members of the wine industry are considering compiling social distancing guidelines specific to winery and vineyard operations.
- Fawn Barrie (OWC) reported that OSHA has reassigned about 75 people as inspectors apparently focusing on businesses that should be closed, although it's possible they are inspecting open businesses to make sure guidelines are being followed.
- Fawn Barrie shared that the Governor's office is asking businesses to report lost revenue in order to make the case for additional assistance to the federal government.
- Elin Miller (OWC) reported that Oregon OSHA is moving forward on rules that are changing standards for sanitation and housing, an initiative that will be led by the Oregon Farm Bureau.

### **Labor and Employment Law Updates:**

- Christie Totten (employment lawyer at Davis Wright Tremaine) provided the following update on issues pertaining to employment:
  - Employer communication with employees is critical. Complaints coming into OSHA are often from employees who do not feel their workplace is taking necessary safety and health precautions.
  - There are many questions surfacing regarding options for staffing (layoffs, unpaid time off, shifting to hourly pay, continuing benefits, etc.).
    - DWT will be hosting three upcoming webinars dealing with the labor law implications of the CARES Act and the Family First Coronavirus Response Act
  - Vineyard businesses need to consider how they are dealing with farm labor contractors, since potential liability for working conditions and pay rates often remains, at least in part, with the grower.
  - Immigration issues are arising around notices required when terminating people on work visas. Some work authorizations may be suspended.
- Elin Miller (OWC) asked whether OWB can take a "leadership" role and contract with legal experts as needed to interpret laws and rule changes?
  - Tom Danowski (OWB) explained that, as with any semi-independent state Board, the Oregon Department of Justice is OWB's counsel of record. There are however limited instances where DOJ may direct OWB to seek advice from outside counsel.
- Mike McNally (WVWA) asked whether OWB can help get clarity around sanitation standards, etc.
  - Bob Morus (OWB Chair) replied that OWB can communicate a standard, but cannot advocate for standards with OSHA.
- Morgen McLaughlin (WVWA) asked that regional groups do better about cross-communication around webinars and other opportunities.

### **Federal CARES Act and Financial Assistance Opportunities**

- OWB's Finance Committee has delved into the federal CARES Act (HR 748); OWB Chair Bob Morus gave the group a summary of the two primary small business assistance programs that have been expanded. To qualify, business must have fewer than 500 employees. If anyone would like to talk with Bob about what he has learned, text him at 541-490-6942.
  1. Paycheck Protection Program (PPP)
    - a. Maximum amount is the lesser of \$10 million or 2.5x average monthly payroll (businesses should get their banker's interpretation of what the basis for payroll calculation is)
    - b. Intended to cover payroll, insurance premiums, mortgage interest, rent, utility payments
    - c. Potential for loan forgiveness exists
    - d. Applications made through your SBA-approved bank



2. Expanded Economic Injury Development & Loans (EIDL) administered by the SBA ([SBA website](#))
  - a. Maximum amount is \$2 million, with \$10,000 disbursed 3 days after application (some uncertainty exists around application system readiness)
  - b. Intended to cover working capital needs
  - c. 3.75% interest rate (2.75% for eligible not-for-profits, which include 501(c)(3)'s)
- See [this comparison](#) compiled by DWT for more details a side-by-side comparison of these programs.
- Jana McKamey (OWA) stated that farming businesses are, at this point, excluded from EIDL loans but not the PPP. OWA has been in talks with California Association of Winegrape Growers, WineAmerica, Sen. Wyden's office and other Oregon Congressional Delegation members about the possibility of changing that exclusion.
- OWB is designing an April webinar with bankers to help advise Oregon wine businesses on applying for EIDL and PPP loans.
- There is no update at this time about unemployment insurance funds flowing to Oregon, as a result of the CARES Act.

### Association Updates:

- Tom reminded the group to ensure they consult OWB's industry calendar and to send new event dates to OWB so the calendar is current and we can all avoid potential conflicts when rescheduling events.
- Morgen McLaughlin (WVWA) shared that Oregon Pinot Camp has been "postponed" until 2021 and the Memorial Weekend promotion has been pivoted to be an extension of the #wvcommunity campaign.
- Morgen also reported the following:
  - There may be a new round of Wine Country License Plate grant funding coming later in the year targeted toward recovery programs. She urged that state & regional associations work together in collaboration with Travel Oregon on a single campaign for maximum impact.
  - She has been on weekly traveler sentiment calls with Destination Analysts, which can help understand when the smart time is to restart spending to drive tourism.
    - **ACTION:** Morgen to share Destination Analyst resources with group.
  - WineAmerica's economic impact survey results now available. Request for OWB or OWA to continue a similar survey monthly for Oregon.
    - **ACTION:** OWB will share the survey findings with the industry
- Jean Kurtz at Umpqua Valley Winegrowers Association reported that they have postponed their May barrel tour but do not have a new date yet.
- Jessica Thomas of South Willamette Wineries Association reported that the inaugural Eugene Wine & Dine week is being pushed to 2021.
- Kerry Damon of Central Oregon Winegrowers Association reported that wineries in the region will be interested in joining the letter-writing campaign. Additionally, COWGA has canceled all upcoming meetings and are looking to provide educational opportunities to their members.
- Laurie Lewis at PDX Urban Wineries shared that their group had already decided not to move forward with their annual May event, but they are planning for their other annual promotion at the holiday season. They are hosting weekly conference calls with members to address fears & concerns, brainstorm different options. Most members have applied for Prosper Portland grants, which opened yesterday.
- For Yamhill-Carlton AVA, Mike McNally shared that their tasting is postponed, new date is TBD.
- Sally Murdoch (OWB) shared that the media landscape has change in past couple weeks. Writers are still looking for positive momentum stories, and wineries are willing to carve out time to share stories. She is keeping in touch with Oregon wine associations as well as Washington State Wine Commission (WSWC), getting media opportunities out to winemakers and winery PR contractors. Upcoming events include a virtual media tour in May with WSWC, and excursions surrounding the Wine Media Conference in August.



- Kai McMurtry (OWB) shared that OWB has launched a new consumer page on oregonwine.org with a campaign called ***Oregon Inside***. It provides information on winery promotions, restaurant assistance, and will continue to be built out. OWB is running paid social media promotions to drive traffic to the page and sharing through owned channels and will soon put together an industry toolkit with new assets to share.
  - Morgen offered appreciation and said WVWA is already seeing web traffic coming from the OWB site.
- The OWB's Grapevine newsletter went out today with additional DTC education opportunities.
- The industry Marketing forum will meet on Thursday, April 2.
- Oregon Wine Trail Seattle will likely be rescheduled to mid-October.

#### NEXT STEPS

- All can send agenda points to Tom for next week's meeting
- Next meeting: Tuesday, April 7 at 11 a.m.

Adjourned: 11:50 a.m.