

March 25, 2020

TO: USTOA Members
FR: Terry Dale

Please see below our COVID-19 Update for March 25, 2020:

Congress

Updates at 7:00pm ET

- A deal was reached on the third COVID-19 package by the U.S. Senate, but last minute issues have delayed the filing of the final language and passage of the package at this time.
 - A group of Republican Senators including Sens. Lindsey Graham (R-SC), Tim Scott (R-SC), Ben Sasse (R-NE) and Rick Scott (R-FL) are opposing a provision on increased unemployment insurance that the Senators feel would encourage workers to be unemployed because the additional \$600 they would receive in unemployment insurance would be close to existing weekly salaries in many states. Senator Bernie Sanders (I-VT) meanwhile announced he would place a hold on the legislation related to imposing stronger restrictions on the \$500 billion in loans for businesses, States, and municipalities if the group of Republican Senators insisted on cutting the benefits.
 - If final language is agreed to, a vote on the package in the Senate is still possible this evening.
- Speaker Pelosi and her Democratic Committee Chairs spent today walking caucus members through the specifics of the agreement through a series of one hour briefings.
- The Speaker, in interviews this evening, stated that once the Senate passes the legislation the House will move to passage tomorrow by most likely a voice vote but that they are prepared to move to a recorded vote if necessary. The timing of a recorded vote is unknown at this time.

Updates at 9:00am ET

- A deal has been reached on a nearly \$2 trillion COVID-19 emergency rescue package and was announced late last night/early this morning. The package is the largest stimulus package in U.S. history.
- This is the culmination of five plus days of around the clock negotiations between Senators and the White House/Administration.
- A vote is expected later today in the Senate and we anticipate the House will agree to and pass the measure as soon as possible (see below for options).
- No text has been released yet, but we expect that it will be released sometime this morning.

- As further details emerge, we will begin analyzing the package in its entirety and provide you with more detailed information.
- Minority Leader Schumer (D-NY) sent a letter to Democratic Senators this morning highlighting the following differences in the final package:
 - 4 months of more unemployment insurance instead of 3 months.
 - \$55 billion increase in the Marshall Plan for the health care system.
 - \$150 billion for a state, tribal, and local COVID-19 fund.
 - \$10 billion for Small Business Administration (SBA) emergency grants of up to \$10,000 to provide immediate relief for small business operating costs.
 - \$17 billion for the SBA to cover six months of payments for small businesses with existing SBA loans.
 - \$30 billion in emergency education funding.
 - \$25 billion in emergency transit funding.
 - \$30 billion for the Disaster Relief Fund to provide financial assistance to state, local, tribal, and territorial governments, as well as private nonprofits providing critical and essential services.
 - More than \$10 billion for the Indian Health Services, and other tribal programs.
 - Prohibiting businesses controlled by the President, Vice President, Members of Congress, and heads of Executive Departments from receiving loans or investments from Treasury programs.
 - Making rent, mortgage and utility costs eligible for SBA loan forgiveness.
 - Banning stock buybacks for the term of the government assistance plus one year on any company receiving a government loan from the bill.
 - Establishing robust worker protections attached to all federal loans for businesses.
 - Creating real-time public reporting of Treasury transactions covered by the package, including terms of loans, investments or other assistance to corporations.
 - Adding a retention tax credit for employers to encourage businesses to keep workers on payroll during the crisis.
 - Providing income tax exclusions for individuals who are receiving student loan repayment assistance from their employer.
 - Saving hundreds of thousands of airline industry jobs and prohibiting airlines from stock buybacks and CEO bonuses.
- Additionally the following provisions are reportedly included:
 - \$50 billion in relief for passenger airlines split \$25 billion in grants and \$25 billion in loans.
 - \$8 billion in relief for cargo airlines split \$4 billion in grants and \$4 billion in loans.
 - \$250 billion to fund a plan to send \$1200 checks to many Americans based on their salary.
 - \$130 billion in funding for hard-hit hospitals.
 - \$250 billion for unemployment insurance benefits to those who lose their jobs due to the COVID-19 pandemic.

- A \$500 billion Treasury fund to aid to distressed industries due to the COVID-19 pandemic and creating a specific Treasury Department Special Inspector General for Pandemic Recovery to provide oversight of Treasury loans and a Pandemic Response Accountability Committee to protect taxpayer dollars.
- \$350 billion in small business loans.
- Speaker Pelosi (D-CA) stated yesterday that there will be a 4th and 5th relief package, and the House has begun to put a bill together.
- Once the Senate passes the legislation we anticipate it will be approved by unanimous consent. However, it is unclear how the House will pass it, though there are a number of options, including:
 - Unanimous Consent – this is the preferred option as it would not require Members to travel back to Washington, DC. However, this would fail if even one of the 435 Members of the House object.
 - Voice Vote – this would be the next option as a voice vote only requires a quorum of Members to be present. This would allow for only the Members who are either still in Washington, DC or whose districts are close to Washington, DC to have to return.
 - Recorded Vote – this would require all Members wishing to vote to return and would likely mean that voting would be staggered so Members could vote in smaller groups and not have to be present in large groups. This is the least likely option.
- 20 House Democrats urged the President to issue a national shelter in place order over COVID-19 in a letter led by Rep. Ro Khanna (D-CA).

Administration

Updates at 7:00pm ET

- Major disaster declarations are in place for NY, CA, WA, IA, LA, TX, FL. Major disaster declarations provide States with access to additional federal resources than are available under an emergency declaration, but both are authorized by the declaration of a national emergency under the Stafford Act.
- The Treasury Department will be issuing regulations to allow most FDIC banks to issue loans within the third COVID-19 package and Secretary Mnuchin expects that process to be in place by the end of next week.
- Secretary Mnuchin clarified that the majority of payments to individuals, if possible, will be electronically deposited into Americans' accounts and that paper checks will be mailed where direct deposit is unavailable.

Updates at 9:00am ET

- The Administration has decided that it will not activate the Defense Production Act to obtain medical equipment needed to fight COVID-19.
- The Department of Education has halted its collection on defaulted student loans amid COVID-19.

- The Transportation Security Administration has announced that 331,431 passengers traveled through checkpoints on Tuesday, more than 2 million less than the same weekday in 2019 and 1.5 million less than just three weeks ago.
- The Federal Motor Carrier Safety Administration announced on Tuesday that drivers whose commercial licenses or medical cards recently expired, or expire soon, can keep using those documents until at least June due to state DMV closures.
- The Federal Aviation Administration continues to see the effects of COVID-19 at airport towers and centers that oversee large amounts of airspace – workers at almost a dozen facilities from Las Vegas to New York have tested positive thus far.
- The State Department issued a statement yesterday that it has successfully repatriated more than 9,000 Americans from 28 countries since the COVID-19 pandemic began.

Other News

Updates at 7:00pm ET

- The head of the World Trade Organization released a plea to governments across the world urging countries not to block the free flow of medical equipment across borders. To date, fifty-four governments have imposed temporary export restrictions on medical supplies and drugs in response to the COVID-19 pandemic.
- Reports indicate that at least 50,000 people are still stranded overseas due to COVID-19.
- The World Health Organization continues to warn against lifting lockdowns too early.
- New York Governor Andrew Cuomo indicated today that the bill is inadequate to meet his state's needs. He noted that the bill provides \$3.8 billion for New York State, of which only \$1.3 billion will be sent to New York City. He also stated that this relief is far below the estimated \$15 billion in lost revenues the state could ultimately face.
 - Governor Cuomo has engaged the New York House Congressional Delegation as well as Senator Kirsten Gillibrand (D-NY) on the funding shortfalls.

Updates at 9:00am ET

- The latest International Air Transport Association numbers estimate that the passenger revenue loss for airlines globally is \$252 billion.
- The flight to return stranded Americans home from Peru was canceled yesterday. Negotiations are ongoing over landing permissions for another flight, operated by American Airlines, to bring Americans home from Lima.
- Reports indicate that an Amtrak police officer at New York's Penn Station has tested positive for COVID-19.

- Boeing has told some of its suppliers to stop deliveries immediately due to COVID-19.
- Canadian Airline WestJet has announced that it will lose nearly half its workforce amid the COVID-19 pandemic.
- New York's MTA, the largest transit system in the nation, saw 800 train delays yesterday due to crew shortages as a result of COVID-19. 52 of MTA's 70,000 employees have tested positive for COVID-19.
- New York Governor Andrew Cuomo has announced that more than 20,000 New Yorkers have been infected by COVID-19, accounting for 5 percent of cases worldwide.
 - The Governor has already announced a stay-at-home order and has also announced an emergency order mandating that all hospitals in the state increase their capacities by at least 50 percent to accommodate the growing number of COVID-19 patients.
 - The Governor also shared that he was signing an Executive Order that would recommend all registered nurses enlist to fight COVID-19.
 - The Governor stated that the state is sending millions of N-95 masks to New York City and Long Island over the next few days – he did also call on the President to activate the Defense Production Act as well, which as stated above, the President has decided not to do.