

March 26, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for March 26, 2020:

Congress

Updates at 7:30pm ET

- We expect the House to consider the CARES Act as soon as tomorrow morning by voice vote.
- Speaker Pelosi indicated during a press conference that she predicts a “strong bipartisan vote” when the House takes up the \$2 trillion rescue package.
 - We expect the bill to be signed by the President shortly after it is passed.
- Speaker Pelosi also confirmed that House Democrats are already focused on a fourth relief package and that drafting has begun.

Updates at 9:00am PT

- As we shared last night, the Senate has passed the third COVID-19 relief package, H.R. 748. The House is expected to consider the legislation Friday morning by voice vote.
- Senators now plan to return to their home states until April 20.
- As a reminder, main components of the legislation include direct payments to individual Americans, a fund for distressed industries, immediate aid for hospitals, airlines, airports, transit, and other industries, direct money to state and local governments, and in total over \$850 billion in loans and loan guarantees.
- On the travel and tourism front, the bill includes:
 - \$377 billion in loans and loan forgiveness for small businesses through the Small Business Administration, which would include size eligible travel businesses;
 - \$454 billion in federally backed financial assistance through the Department of the Treasury for impacted businesses, including those in the travel space;
 - \$29 billion for loans and loan guarantees to airlines, repair stations, and ticket agents.
 - Tax relief to mitigate losses and allow businesses to use cash to pay employees and keep businesses afloat.
 - Small Business Administration existing loans are eligible to small businesses or franchises with 500 employees or less, including tour operators, meeting and event services, hotels, attractions, restaurants, etc.

- Small Business Administration disaster loans are eligible to small businesses or franchises with 500 employees or less, including tour operators and the other aforementioned entities.
 - Small Business Administration interruption loans are eligible for any small business, including tour operators and the other aforementioned entities. They are also available to any Destination Marketing Organization (DMO) that is organized as a 501 (c)(3) that does not receive an SBA disaster loan, with certain exceptions.
 - Small Business Administration express loans are eligible for any small business, including tour operators and the other aforementioned entities.
 - Money is specifically allocated for Community Development Block Grants to state and local governments to mitigate economic disruptions in impacted industries, including making direct grants to tourism businesses impacted by COVID-19. The bill also included money specifically for Economic Development Agency grants to state and local governments for economic injuries to impacted industries, including grants to support economic revitalization of tourism businesses impacted by COVID-19.
- Airline aid was highly negotiated throughout this whole process. The final agreement provides \$29 billion in grants for airlines to use to pay employees, plus \$3 billion for contractors. There are certain parameters around qualifying for the grants as well.
 - The bill also includes \$17 billion for loans to businesses critical to maintaining national security.
 - The \$25 billion provided to the Federal Transit Administration for grants through existing formula programs must be apportioned within one week of enactment.
 - \$10 billion is provided to airports with only an employee retention requirement attached.
 - Senate Finance Committee Republicans have sent a letter to the White House urging the Administration to ease tariffs and other trade restrictions to reduce the economic downturn related to the COVID-19 pandemic.

Administration

Updates at 7:30pm ET

- The President spoke to G20 leaders this morning to discuss the COVID-19 pandemic.
- The President stated that the United States is continuing to coordinate efforts around the world to stop the spread of COVID-19 and to share data.
- The Administration today spoke with all state and territory leadership on COVID-19 response.

- The President praised the Senate for coming together to pass the third COVID-19 relief package 96-0 and urged the House of Representatives to pass the package. Expediently.
- USNS Comfort hospital ship will be underway to New York City on Saturday as opposed to three weeks from now, which the Administration communicated with Governor Cuomo today.
 - New York state and New York City in particular were a centerpiece of tonight's Coronavirus Task Force Briefing and how they and the federal government are responding to the COVID-19 pandemic there.

Updates at 9:00am PT

- The Department of Defense is preparing to issue guidance to the defense industry on how to respond to COVID-19.
- The IRS is creating an initiative to provide taxpayers with temporary relief given COVID-19, mainly by extending this year's tax filing deadline by three months to July 15.
- The Pentagon has directed all movement of US troops overseas to pause for 60 days due to the COVID-19 pandemic.
- The State Department continues to feel pressure from Congress on their efforts to bring Americans home from abroad.
- Rail unions have engaged the Federal Railroad Administration this week to "take immediate and appropriate precautions to mitigate against the spread of the virus amongst their workforce and to minimize the exposure of their employees to the virus during the performance of their duties."

Other News

Updates at 7:30pm ET

- The United States now has the most known cases of COVID-19 with over 82,000.
- FEMA has shipped over 9 million N95 masks to date.
- There are over 500,000 reported cases of COVID-19 worldwide to date.
- Additional test kits have been opened up for states that want to do contact tracing.
- Currently, all of the nation's hotspots are located in and around urban parts of the US.
- 86% of those tested for COVID-19 have come back negative.
- Restaurants have been closing at a rapid rate, with 3% of all restaurants in the US closing for good. Reports indicate that another 11% could close in the next 30 days.

Updates at 9:00am PT

- Last week, 3.3 million Americans applied for unemployment insurance, the highest spike in U.S. history.

- Canada is now requiring most people entering the country to legally quarantine for two weeks. Prime Minister Trudeau has indicated that he will consider further restricting the border should the US become the new epicenter of COVID-19.
- In Mexico, President Luiz Obrador has yet to implement meaningful restrictions to curb the spread of COVID-19.
- Only 279,018 travelers passed through TSA checkpoints on Tuesday.
- A large coalition of industry groups representing a myriad of different sectors have asked the White House, governors, and local officials to coordinate decisions on essential vs. non-essential operations.
- Bird and Lime, two electric scooter companies, are engaging lawmakers on relief amid COVID-19.