May 4, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for May 4, 2020:

**Congress**

**7:00pm ET Update**

* House Minority Leader Kevin McCarthy said today that he disagrees with Senate Majority Leader McConnell and House Speaker Pelosi and is in favor of rapid COVID-19 testing for the Capitol to prevent the spread of the virus in lieu of remaining out of session. As Elevate reported this morning, Majority Leader McConnell and Speaker Nancy Pelosi rejected an offer from the White House for an expedited testing method for the Capitol.
* Leader McConnell and Minority Leader Schumer both gave reopening remarks today as the Senate returned to the Capitol. Both leaders focused on their party’s priorities as the Senate resumes conducting its business.
	+ McConnell outlined his plan to focus on nominations, including those Elevate reported earlier this morning, and called on Democrats to not be obstructionist and allow the nominees to be confirmed. He expressed the Republican desire to hold COVID-19 oversight hearings, which the Democrats had requested last week.
	+ While Minority Leader Schumer expressed Democratic concerns with the qualifications of the nominees, he primarily focused on the need additional funding for state and local governments, the need for increased testing capabilities, and concern over states reopening too soon. He also stated concerns about the Senate being in session at all amid reports that the District of Columbia is only now reaching the peak of its COVID-19 cases.
* The Senate confirmed Robert J. Feitel this evening as the new Inspector General of the Nuclear Regulatory Commission (NRC) in an 87-0 vote. This first vote after returning to the Capitol provided a glimpse into voting procedures. Most Senators wore masks though some removed them to vote in order to identify themselves. We will include the names of Senators who did not vote in our update tomorrow.
* With respect to actions in the House, it remains unclear whether the House will first release a series of principles or actual text of a bill. Elevate had heard from Congressional staff an intent to release legislative text by the end of the week, to be possibly voted on next week. Other staffers have indicated a potential for principles to be released first. Either way, a final bill is not expected to move quickly.

**11:00am ET Update**

* The Senate is returning to Capitol Hill today for the first time in more than five weeks.
	+ There will be a 5:30 pm confirmation vote on Robert J. Feitel to be Inspector General of the Nuclear Regulatory Commission.
	+ While they are back, the Senate is expected to consider the nominations of Brian Miller to be Inspector General for Pandemic Recovery at the Treasury Department and Representative John Ratcliffe (R-TX) to be the Director of National Intelligence.
	+ Multiple hearings related to COVID-19 are scheduled and lawmakers may also consider legislation to reauthorize certain expired provisions in the Foreign Intelligence Surveillance Act (H.R. 6172).
* House Minority Leader Steny Hoyer sent a letter to both the House Chief Administrative Officer and the Attending Physician, Dr. Brian Monahan, requesting guidance on how to best reopen the Capitol complex in the coming weeks. The full letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/hoyer-letter-to-monahan.pdf).
	+ Reports indicate that some lawmakers and senior aides believe the House may need to push its return to Capitol Hill beyond next week.
	+ Minority Leader McCarthy laid out his ideas in an op-ed this morning on how to re-open Capitol Hill, which can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fmedium.com%2fbeat-the-virus%2fa-plan-for-the-peoples-house-dad38db9af36&c=E,1,8pgBRLPoU1LQWD7C57r-93ud05sD_glOtW1XuC4v-I0bPHQIYMab2W1igWGjEGvOyTuT0LpjGVe2ugEWsyZgdPpPaW9vurV5131jayDGYTNf&typo=1" \t "_blank).
* Dr. Monahan also released safety guidelines for the Senate’s return to Washington, DC this week. The full recommendations are [here](https://ustoa.com/r/ustoa-filemanager/source/resources/social-distancing-health-screening-guidelines.pdf), but include:
	+ Offices limit the number of staffers that come into the office;
	+ Staff should stagger their visits to dining areas;
	+ Staffers should telework when possible; and
	+ Using face coverings – the guidelines strongly encourage the use of face coverings, but that individuals retain the option of not using a face cover if they maintain a six-foot distance from other people.
* Senate Majority Leader Mitch McConnell and House Speaker Nancy Pelosi declined the Trump Administration’s offer to provide Congress with rapid testing. Over the weekend, they issued the following statement:
	+ “Congress is grateful for the Administration’s generous offer to deploy rapid COVID-19 testing capabilities to Capitol Hill, but we respectfully decline the offer at this time," McConnell and Pelosi said in a joint statement. "Our country’s testing capacities are continuing to scale up nationwide and Congress wants to keep directing resources to the front-line facilities where they can do the most good the most quickly."
* House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) and Coast Guard and Maritime Subcommittee Chairman Sean Patrick Maloney (D-NY) are investigating Carnival Cruise Lines’ response to COVID-19 aboard its ships according to a [letter](https://transportation.house.gov/imo/media/doc/PUBLIC%20-%202020-04-30%20-%20PAD-Maloney%20LTR%20to%20CARNIVAL%20RE%20COVID-19%20Response.pdf%22%20%5Ct%20%22_blank) the lawmakers sent to Carnival on Friday. Carnival has until May 15 to produce the requested documents.
	+ Carnival is the parent company of Princess Cruises which operates both the Diamond Princess and the Grand Princess cruise ships.
	+ The lawmakers have also requested information from the Centers for Diseases Control and Prevention and the Coast Guard related to their communications with Carnival.
* As we have reported, Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) is pushing for a federal mandate to require masks on board commercial aircraft.
	+ One transportation policy analyst, Marc Scriber, argues that the Federal Aviation Administration (FAA) does not possess the “clear power” to issue and enforce such a rule. More information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2freason.org%2fcommentary%2fdoes-the-faa-have-authority-to-require-passengers-to-wear-masks%2f&c=E,1,biUvEugKCXCugrD7S47YAYzmGWvEz2LVU2YIU89C8-_JYgPV86PKplsU-miLs3aFc7Ku5BFvR-e18V9h1fVYFhuPocOA8x9ICqlgGxc1WaPo4mr8plrG&typo=1" \t "_blank).
* A Circuit Court of Appeals ruled on Friday that the FAA and National Park Service (NPS) had failed to adequately regulate air tours over national parks as required in a law passed two decades ago.
	+ The court said that in the next two years, NPS and FAA will have to require parks with commercial sightseeing flights to have management plans or voluntary agreements establishing rules with all of their operators.
* As we reported last week, the Senate Environment and Public Works Committee is scheduled to markup both the Americas Water Infrastructure Act and Drinking Water Infrastructure Act on Wednesday. As a reminder, these two bills are the Water Resources Development Act for 2020 and have been introduced separately to allow the drinking water portion to potentially be included on a COVID-19 relief package.
* On Wednesday, the Senate Armed Services Committee is holding a hearing on Ligado and the Federal Communications Commission’s (FCC) approval of their application. Neither the FCC nor Ligado were invited to testify. The hearing will be taking place on May 6, 2020 at 3pm.  More information can be found [here](https://www.armed-services.senate.gov/hearings/20-05-06-department-of-defense-spectrum-policy-and-the-impact-of-the-federal-communications-commissions-ligado-decision-on-national-security%22%20%5Ct%20%22_blank).

**Administration**

**7:00pm ET Update**

* The Treasury Department (Treasury) intends to borrow just shy of $3T from April through June to cover government spending on COVID-19 relief. By comparison, Treasury borrowed $1.3T over 12 months in 2019.
* Treasury Secretary Steven Mnuchin indicated that the Administration is looking for ways to stimulate travel but noted that the Administration would prioritize domestic travel.
	+ Secretary Mnuchin also indicated in an [interview](https://video.foxbusiness.com/v/6154045376001/%22%20%5Cl%20%22sp%3Dshow-clips%22%20%5Ct%20%22_blank) that restrictions on the use of Paycheck Protection Program funds would not change amid lobbying efforts from the restaurant industry.
* The New York Times and the Washington Post have reported on slides with Administration Agency’s logos, which project a steady rise in cases and deaths from COVID-19, with daily deaths potentially reaching up to 3,000 on June 1st. The Administration stated that these were incomplete documents. Currently, there are 1,750 COVID-19 related deaths per day.
* The White House indicated that a proposal for tax cuts and regulatory suspension to promote economic growth is on the way. The Administration is discussing business-expense or capital expense tax deductions. Additionally, a tax credit to incentivize domesticating manufacturing is on the table.
* Deputy National Security Adviser Matthew Pottinger emphasized that the Administration is not considering punitive measures against China related to the COVID-19 pandemic. This is inconsistent with past statements by other Administration officials.
* The Export Import Bank (EXIM Bank) increased US exporter’s access to capital and supply chain financing during COVID-19. Specifically, the EXIM Bank raised its [Supply Chain Finance](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2flnks.gd%2fl%2feyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MDQuMjEwMjI2ODEiLCJ1cmwiOiJodHRwczovL3d3dy5leGltLmdvdi9jb3JvbmF2aXJ1cy1yZXNwb25zZS9mYWN0LXNoZWV0LWJhY2tncm91bmQtb24tc3VwcGx5LWNoYWluLWZpbmFuY2luZy1ndWFyYW50ZWUtcHJvZ3JhbSJ9.Wkyme14JsQrUfGF8WK0zQrCM3fUppnaJa8AxXuA7c8A%2fbr%2f78208079688-l&c=E,1,qviFiAGjO0jfiPPCn8IeKUU1T5-qPNOIb2r7HBSzVR2AofQAncq7k_MhFuuF-vvv7NIl6glxtDtKOhxC1YhUWe9GxJcGYf0GnjiN5M_EX6TpDzL5&typo=1" \t "_blank) Program (SCF) and [Working Capital](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2flnks.gd%2fl%2feyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDEsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MDQuMjEwMjI2ODEiLCJ1cmwiOiJodHRwczovL3d3dy5leGltLmdvdi9jb3JvbmF2aXJ1cy1yZXNwb25zZS9mYWN0LXNoZWV0LWJhY2tncm91bmQtb24td29ya2luZy1jYXBpdGFsLWd1YXJhbnRlZS1wcm9ncmFtIn0.QvbrqwIw8HA6nutsO-dM8IlCBMRn6fXexnKnphm5nCk%2fbr%2f78208079688-l&c=E,1,v7wcwi7pJoT0UBGIxvSNrt1jbbiAUCVJCCZRZHVR9HH-yrrI0xbivpM7sXboQ8x1jyO3Dq2lLDRCWQvtrzOcvXXI_JHsiQcSq2P7co-lRA,,&typo=1" \t "_blank) Guarantee Program (WCGP) guarantee coverage option to 95 percent, from the standard 90 percent guarantee. This increase is effective through April 30, 2021. The full press release can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fexim-increases-exporter-access-capital-and-supply-chain-financing-during-covid-19-raising&c=E,1,NUfvaLVKv_OxQkYDedUghcaEL4L_236Cmx0vdaCEUk7mGvHvO-lflzmuPN_L3SbonPLKGskhigChbZ7zr8ML5R5BS5jL3H9HDA5INMTmvcPWdY4XQmaoMmXd_HFc&typo=1" \t "_blank).
	+ EXIM Bank also approved 161 authorizations totaling $138.8 million for small businesses that export “Made in the USA” products around the world. The full press release can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fexim-approved-161-small-business-authorizations-totaling-nearly-139-million-and-supporting-800&c=E,1,W_7YHP5VZig9AwSVmxwyakM_INwkjFCQh5duXVT_9m8WqaRu21bISDlPqZyxUn67yXHI4Wx-Z4qWohm-aLRr69ozakpoo0OTTNlHlNum5llECMcG14LxxA,,&typo=1" \t "_blank).

**11:00am ET Update**

* The White House has blocked Dr. Anthony Fauci from testifying before the House Labor-HHS-Education Appropriations Subcommittee this week. The subcommittee is holding a hearing on Wednesday investigating the COVID-19 response. The White House stated that it would be “counterproductive” for him to participate. Tom Frieden, the former director of the Centers for Disease Control and Prevention (CDC), will testify.
	+ Reports indicate that it is likely that Dr. Fauci will be asked to testify, and will appear, before a Senate hearing on testing the week of May 11.
* White House economic adviser Larry Kudlow shed some doubt on additional economic stimulus in the form of more money for the Paycheck Protection Program, or other individual relief. He said that while he would not rule it out, the Administration is in a “pause phase” and is evaluating the effects of relief that has already been provided.
* A new report from the Department of Homeland Security concluded that the Chinese government withheld information about the severity of COVID-19 to allow it to stockpile medical supplies. According to the report, the Chinese government dramatically increased its imports of medical supplies, such as masks and gloves, and cut its exports in January, before sharing full details about the COVID-19 outbreak with the World Health Organization (WHO).
* The President has threatened to terminate the phase one deal with China if Beijing fails to commit to buying an additional $200 billion worth of US goods and services over the next two years, as promised.
	+ The Phase one deal has ended tariffs of around $155 billion worth of Chinese imports that were set to take effect at the end of 2019 and halved tariffs to 7.5 percent on another $120 billion in goods. But it kept in place the 25 per cent import taxes on $250 billion worth of Chinese products.
* The Administration indicated over the weekend that the United States is producing a report related to COVID-19 and its origins, and it is likely it will cite China, despite a difference of opinions that have been publicly noted by the intelligence community.
* An International Trade Commission (ITC) report regarding tariffs on products that could be used to fight COVID-19 is expected to be released today.
* Trade groups, including the American Alliance for Manufacturing, continue to call for a Buy American Executive Order related to the US production of medical equipment and pharmaceuticals. Two months ago, White House Trade Adviser Peter Navarro mentioned that such an Executive Order was possible, but nothing has been issued at this time.
* The Department of Justice has withdrawn its [statement](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2famericanmattressalliance.org%2fStatement-of-Interest-of-the-United-States-DOJ-re-Mattresses.pdf&c=E,1,eWYs8OugvQoFRZdYeQnZHR91SRP_bnUoHkVTa9rbT6GboFbzdYdwc4jQZBvbKTZzao45nzfurM0_Bwy2uyp2uIi0dE7jUsjDvnhuECoUchCpC-dAtjc,&typo=1" \t "_blank) expressing concern that proposed duties on mattresses from eight countries could impact US efforts to treat COVID-19 patients.
* The Environmental Protection Agency has sent a [proposed rule](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.reginfo.gov%2fpublic%2fdo%2feoDetails%3frrid%3d130449&c=E,1,FQv3YKXyN7wORhPrOTF3ZSOhXB--eyJKPi1hQ1koMQnV92AAiRPYFj4BNhcvoOGmaI_wpv-4lJV_9BUKHDRpx8cczgNKgchdnbOml56b8A,,&typo=1" \t "_blank) to set carbon dioxide standards for jet engines to the White House Office of Management and Budget (OMB) for review.
* The U.S. and U.K. are set to begin free trade negotiations on Tuesday, with a call planned between U.S. Trade Representative Robert Lighthizer and U.K. International Trade Secretary Liz Truss. The first round of talks is set to take two weeks, with further rounds roughly every six weeks.
* Federal Register Notices
	+ The Internal Revenue Service (IRS) extended certain timeframes under the Employee Retirement Income Security Act and the Internal Revenue Code for group health plans, disability and other welfare plans, pension plans, and participants and beneficiaries of these plans during the COVID-19 National Emergency. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f04%2f2020-09399%2fextension-of-certain-timeframes-for-employee-benefit-plans-participants-and-beneficiaries-affected&c=E,1,_7u0RTZUGoKooK6ekJZ830ZCMaRfDaXdYY0ePwXb2WO3FdCJl0g88sabuU-yAWBiJxj2e0w6i6uiJxureEEQzJberxTd-PQLbHdhFgpDC4b8NvdJyA,,&typo=1" \t "_blank).
	+ The FAA is allowing individuals unable to comply with certain training, testing, and other requirements, to continue to support essential operations. This rule also allows certain air carriers and operators to fly temporary overflow aircraft, a need resulting from the outbreak, to a point of storage pursuant to a special flight permit with a continuing authorization. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f04%2f2020-09472%2frelief-for-cetain-persons-and-operations-during-the-coronavirus-disease-2019-covid-19-outbreak&c=E,1,AcnB1gGrgrYhpkWNdN6IEXOjgOr9v7X5MrpjU6y8eMBPSRpP_jnHahaUXMcwx_TJlLKGSz741x7VG3jKPvnoIfrffwLORGsy4vCViWrNeHIzT7KMNgPN4g15ve8,&typo=1" \t "_blank).
	+ The FAA announced a meeting of the Drone Advisory Committee. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f04%2f2020-09394%2fdrone-advisory-committee-dac-notice-of-public-meeting&c=E,1,1t418cDwUKr5onYHBlBT1uu9-zYhBDlpd2Lof_SstDJizTgTY6v-9seI20AHy6rCAbZcycyk0T7-MUz9Kzpl-8Jq5PxKla5rd08D_Cq1eg,,&typo=1" \t "_blank).
	+ The FCC announced that the Office of Management and Budget (OMB) has approved, for a period of three years, the information collection requirements associated with the Cable Television Technical and Operational Standards Report and Order. The notice and more information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f04%2f2020-07583%2fcable-television-technical-and-operational-standards&c=E,1,UNa6SatKHNis0AWks7-sVCjlsoIEgtWm2XLhDNm8XwN68iX6EpFVI59QZnX_8z60Uw3mNDapt0SzLQi9cUJxVFmUjjduqq3xcxGrpaA0ZEY,&typo=1" \t "_blank).
	+ The Small Business Administration (SBA) is limiting the number and amount of Paycheck Protection Program loans that a single corporate entity can receive. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f04%2f2020-09576%2fbusiness-loan-program-temporary-changes-paycheck-protection-program-requirements-corporate-groups&c=E,1,U-x79YtKr9sK1AEAJxey9qAti-_3ruaSf6w8cxHUFL8Jr-rKKBf1egSP5pK739AjvAmDOLIpLbN5M-86LWX0Z5cwpz_JSlRYaULHNRGoow,,&typo=1" \t "_blank).

**Other News**

**7:00pm ET Update**

* The US Travel Association released industry-wide guidelines for travel related businesses. The guidelines were shared with the Administration and all Governors. The guidance and an associated press release can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.ustravel.org%2fsites%2fdefault%2ffiles%2fmedia_root%2fdocument%2fHealthandSafetyGuidance.pdf%3futm_source%3dMagnetMail%26utm_medium%3demail%26utm_content%3d5%252E4%252E20%252DPress%252DProtocolsRelease%26utm_campaign%3dpr&c=E,1,6xNPdU1oYqotXskCJNYoBFQn-1LKogYtL2p2Wn1ivmMuuVNP__BIELvjMVux5XszrczHJrGvGmI4hWlVHiEpOJLS-bNRY1gHGCUuIIrO4J9ELSf3-8u4uWnz6AcJig,,&typo=1" \t "_blank).
* The American Federation of State, County, and Municipal Employees (AFSCME) is spending over $1 million to urge Congress to supply more money to states and localities in its next relief package.
* After Ford pushed for a “cash-for-clunkers”-like program in the last few weeks, auto salvaging companies have begun to lobby for a similar Car Allowance Rebate System to stimulate the economy. A similar program was initiated in during the 2008-2009 financial crisis. Other sectors, including the trucking industry, are also highlighting a “Cash for Clunkers” type concept.
* The nation’s nursing homes, who have experienced 20,000 COVID-19 deaths and counting, are pushing back against a potential flood of lawsuits via a state lobbying campaign to get states to grant them emergency protection from claims of inadequate care.
* Hotel/lodging companies continue to return funds they received under the Paycheck Protection Program. Most recently, Ashford Inc., a large hospitality conglomerate that received nearly $70 million from the PPP, said that it would return the money.

**11:00am ET Update**

* The cost of shipping pharmaceuticals to the U.S. has risen by 224 percent on average due to the pandemic.
* United Airlines has decided to reduce weekly hours for approximately 15,000 airport and baggage employees. This move has drawn criticism from both sides of the aisle. Lawmakers have indicated that while the move might technically comply with the CARES Act, it undermines the law’s intent because it effectively reduces employees’ paychecks. Senator Josh Hawley (R-MO) in particular has criticized the move in a [letter to United](https://twitter.com/HawleyMO/status/1256375034685374476/photo/1%22%20%5Ct%20%22_blank). Representative Sheila Jackson Lee (D-TX) has expressed similar views.
	+ As a reminder, the CARES Act requires that airlines taking federal assistance to not lay off workers or reduce their pay or benefits – the legislation does not expressly prohibit reducing workers’ hours.
* Former Amtrak CEO Richard Anderson, who now serves as a consultant for new CEO Bill Flynn, shared his belief that Amtrak will be one of the first intercity travel modes to recover from the pandemic. He noted that before the pandemic, Amtrak was on track for one of its best years ever, from both a revenue and consumer vantage point.
* Ford Motor Company has published its [guidance for employees returning to work](https://media.ford.com/content/dam/fordmedia/North%20America/US/2020/05/01/Ford_ReturnToWork_COVID-19_Playbook_ME.pdf%22%20%5Ct%20%22_blank).
* Sabre has called off the $360 million deal to acquire Farelogix. More information can be found [here](https://www.dallasnews.com/business/airlines/2020/05/01/sabre-calls-off-360-million-deal-for-fairlogix-after-fight-from-uk-regulators/%22%20%5Ct%20%22_blank).
* Carnival Cruise Lines announced on today that it plans to restart some cruises beginning August 1. The company specifically announced that eight ships will begin services from Miami, Port Canaveral, and Galveston. The full announcement can be accessed [here.](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.carnivalcorp.com%2fnews-releases%2fnews-release-details%2fcarnival-cruise-line-announces-plan-phase-service&c=E,1,KR0YSSlNiieGWiB2dRZhGbMVebcrQ8SDIZJVj8HnTFDsd1hPE1cTVEUuG7eWofLRhYMr_4suvAsO4A58IZW1l1OAR18OJabRbx8YUZ_lIIe5zw,,&typo=1" \t "_blank)