May 5, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for May 5, 2020:

**Congress**

* COVID-19 Package
  + Based on conversations with House staff today, Elevate continues to believe that House Democrats are working on legislative text that appears to be narrower than earlier reports that suggested including broader infrastructure/stimulus policies. It remains unclear in terms of timing as to when House Speaker Pelosi will release the bill but it is expected to focus on relief to state and local governments. We believe the earliest the House will pass a package would be late May.
  + The Senate remains in a wait and see mode. The Administration and Majority Leader Mitch McConnell have indicated a desire to see how the past bills are working and are not in a rush to move new legislation. Many Republicans have echoed that sentiment.
  + Majority Leader McConnell indicated that President Trump’s proposed payroll tax cut is not a “must have” for his party in a future COVID-19 relief and recovery bill.
  + Although House Leadership has not indicated any delay in the House’s expected return to Washington, DC next week, rumors that they may not return on May 11 continue.
* Senate Minority Leader Chuck Schumer and Sen. Ben Cardin (D-MD) have introduced legislation that would require public daily and weekly reporting on the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL) Program, and other debt relief programs broken down by geography, demographics and industry, and specify entities that received the loans and the amounts.
* Led by Sen. Michael Bennet (D-CO) and Sen. Todd Young (R-IN), lawmakers are proposing changes to the PPP that would double the amount of time that small businesses have to spend the money and lower the amount required to be spent on payroll to ensure forgiveness. The program has come under scrutiny recently as many small businesses have not had access to the loans, in addition to technical issues with the Small Business Administration (SBA) portal.
* Small Business Committee Chairman Marco Rubio (R-FL) signaled that additional funding for the program may be necessary, although Majority Leader McConnell has already expressed concern over deficit spending. As a reminder, PPP funds can currently be used until September 30, 2020.
* Sen. Patrick Leahy (D-VT) and Rep. Jim McGovern (D-MA) sent a [letter](https://www.leahy.senate.gov/imo/media/doc/COVID%2019%20Letter%20to%20Secretary%20State%20Final.pdf" \t "_blank) today to Secretary of State Mike Pompeo and Treasury Secretary Steven Mnuchin to ensure that U.S. policy towards Cuba does not stop medical equipment and other humanitarian shipments from going to the island.
* Rep. Nanette Barragan (D-CA) along with Rep. Pramila Jayapal (D-WA), Rep. Jared Huffman (D-CA), and Rep. Ilhan Omar (D-MN), along with several others, [have introduced legislation](https://barragan.house.gov/rewind-act-prohibits-bailout-of-fossil-fuel-industry-with-cares-act-funds-during-public-health-crisis/" \t "_blank), the ReWIND Act, barring fossil fuel companies from accessing CARES Act funds. Sen. Jeff Merkley (D-OR) led companion legislation in the Senate.
  + Specifically, the legislation bars fossil fuel companies from participating in the Federal Reserve’s Main Street lending program, which the central bank expanded last week in ways that will enable more oil and gas companies to participate.
  + It would also close several other possible avenues for relief for the sector, such as blocking the Interior Department's authority to decrease royalty rates and capping the Strategic Petroleum Reserve at its current physical capacity of 713.5M barrels.
  + The legislation also prohibits the financial institutions that take part in CARES Act implementation from making new investments in fossil fuel projects for two years.
* In a letter to House Speaker Nancy Pelosi and Minority Leader Kevin McCarthy Tuesday, seven Progressive Democrats, including House Judiciary Antitrust Chairman David Cicilline (D-RI), Energy and Commerce Consumer Protection Subcommittee Chairwoman Jan Schakowsky (D-IL), Rep. Alexandria Ocasio-Cortez (D-NY), Rep. Pramila Jayapal (D-WA), Rep. Mark Pocan (D-WI), Rep. Jamie Raskin (D-MD) and Rep. Joe Neguse (D-CO) indicated their support for a Congressional halt on mergers unless companies are about to fail or go into bankruptcy. The full letter can be found [here](https://cicilline.house.gov/press-release/cicilline-leading-push-moratorium-unnecessary-corporate-mergers-next-relief-package" \t "_blank).
* As reported yesterday, the Senate confirmed Robert J. Feitel, of Maryland, to be Inspector General of the Nuclear Regulatory Commission 87-0. This was their first recorded vote since March 25. Senators who did not vote included Senators Sherrod Brown (D-OH), Martin Heinrich (D-NM), Patrick Leahy (D-VT), Patty Murray (D-WA), Brian Schatz (D-HI), Debbie Stabenow (D-MI), Tom Udall (D-NM), Sheldon Whitehouse (D-RI), Kevin Cramer (R-ND), Mike Lee (R-UT), Jerry Moran (R-KS), Marco Rubio (R-FL), and Bernie Sanders (I-VT).
* The Senate Judiciary Committee plans to hold a hearing on “Examining Liability During the COVID-19 Pandemic” next Tuesday May 12th. The most up-to-date information can be found [here](https://www.judiciary.senate.gov/meetings/examining-liability-during-the-covid-19-pandemic" \t "_blank).

**Administration**

* U.S. exports to China in March were $7.9B, about 82% of March 2017 levels according to a monthly Commerce Department [report](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fsubscriber.politicopro.com%2ff%2f%3fid%3d00000171-e4e4-d916-a7f5-f6fcccfc0000&c=E,1,kNsvVxnA4hoBu-U8fihF9QqpAFU7S_mnS8mJtS_DcefBihM_4-7wfcJ-ib08Go_eaHcAGryFBbqDS6Ss4A2MIkewdFEPSkwXkkoWJ3AuqMo,&typo=1" \t "_blank). Reduced exports to China raised questions about whether China will meet the purchase goals of $200B in additional goods and services above 2017 levels over two years and a $76.6B increase this year.
  + These goals were established as part of the phase I trade deal between China and the United States signed on January 15th. President Trump has indicated that he will cancel the trade deal if China does not reach purchasing benchmarks.
* Reports indicate that Administration officials are notifying staff of the Coronavirus Task Force that the White House plans to wind down the operations of the task force over the next few weeks.
* The White House provided Congress guidance for Administration officials testifying before Congress on COVID-19. The guidelines advised that through the month of May, no Task Force members, or key deputies of Task Force members, may accept hearing invitations. For primary response departments, including the Department of Health and Human Services, the Department of Homeland Security, and the Department of State, no more than one COVID-related hearing should be agreed to with the department’s primary House and Senate authorizing committee and appropriations subcommittee in the month of May.
* The Inspector General of the Education Department released a COVID-19 relief oversight plan today, which includes examining how the administration awards discretionary grants under the stimulus law and how officials granted waivers to states to relieve some of their obligations under federal education laws. The full plan can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fsubscriber.politicopro.com%2ff%2f%3fid%3d00000171-e508-d177-ad7b-e72dee490000&c=E,1,d-6F9quWtziRvAP2jKkdVGiQ2i-n_VgURVDLlPlZl0AhBwJadXKoLTdOzkSlQUMHezOM9SunTZ9Hwdo5uBTib8_ds4xvxu3K9g_hCXw--Nk,&typo=1" \t "_blank).
* The U.S. and the United Kingdom formally began their accelerated negotiations on a free trade agreement today. The Administration must sign the agreement by April 1, 2021 if it wants to submit it to Congress under the expedited approval process of the 2015 trade promotion authority law, which expires three months later.
  + The Chamber of Commerce indicated that a single, comprehensive trade deal between the two nations would be preferable to stimulate economic growth as opposed to a phased approach.
* Rick Bright, the former director of the U.S. Biomedical Advanced Research and Development Authority (BARDA), filed a whistleblower complaint Tuesday alleging that the Department of Health and Human Services failed to take early action to mitigate the threat of the novel coronavirus.
* The Department of Transportation’s advisory committees will begin meeting virtually – the Commercial Space Transportation Advisory Committee will meet virtually on May 19 and the Drone Advisory Committee will do so on June 19.
* Federal Register Notices
  + The Department of Transportation extended the comment period for the Notice of Proposed Rulemaking (NPRM) on Defining Unfair or Deceptive Practices. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f05%2f2020-08996%2fdefining-unfair-or-deceptive-practices&c=E,1,dPrOfrPJvCndgCzrgqEfEjP9HqW4mPTyEbZPLL9FChHowhyfpgfFqNXS_QtFzk7lLhEkBgIXR44MpxBnsNha3NexKbRpSkO09CWuk3Bk-pCeOQ,,&typo=1" \t "_blank).
    - The NPRM on Defining Unfair or Deceptive Practices is intended to provide greater clarity and certainty about the Department's interpretation of unfair or deceptive practices in the context of aviation consumer protection rulemaking and enforcement actions.

**Other News**

* A coalition of trade groups including the U.S. Chamber of Commerce, the International Franchise Association, the National Restaurant Association and the American Hotel and Lodging Association have sent a letter to Speaker Pelosi, House Minority Leader McCarthy, Majority Leader Mitch McConnell and Minority Leader Chuck Schumer urging them to decouple the SBA’s 7(a) loan program from the PPP. As a reminder, the current coupling of the two programs would cause a premature lapse in authorization of funds for the 7(a) loan program, which is the most commonly used SBA program.
* U.S. exports fell by 9.6% in March due to the COVID-19 response according to the Commerce Department’s monthly [report](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fsubscriber.politicopro.com%2ff%2f%3fid%3d00000171-e4e4-d916-a7f5-f6fcccfc0000&c=E,1,JspT-KCOj0HRE3g38r2gH1llE72DdW84iZHzkhlNMAVq2a8qcnw_kpgSCHKd6WNa0hHbxhNRmLnYCvyg5QiVVMUeCwf8TdWXQz2FXFnAMRQYKQ,,&typo=1" \t "_blank). US imports fell by 6.2%.
* Several small, U.S.-flagged cruise companies wrote to Congressional leaders asking for help for the U.S. flagged passenger vessel industry in the form of cash, loan guarantees and regulatory relief. Rep. Don Young (R-AK), Rep. David Cicilline (D-RI), and Rep. Joe Courtney (D-CT) penned a letter in support of similar measures. Copies of the letters are [here](https://ustoa.com/r/ustoa-filemanager/source/resources/small-cruise-line-letter.pdf) and [here](https://ustoa.com/r/ustoa-filemanager/source/resources/young-cicilline-courtney-letter-cruise-lines.pdf).
* Venezuelan President Nicolás Maduro said authorities arrested two U.S. citizens Monday who were among a group of ‘mercenaries’ who purportedly undertook a beach raid aimed at capturing the socialist leader that was foiled.
* 171,563 passengers passed through airport checkpoints this past Friday, the most in a single day in more than a month (compared to more than 2.5 million at the same time last year).
* A new report from the Brookings Institute shows that total vehicle miles traveled in the U.S. this year could fall to levels that have not been seen since as far back as the 1970s. The full report can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.brookings.edu%2fresearch%2fcoronavirus-has-shown-us-a-world-without-traffic-can-we-sustain-it%2f&c=E,1,u_k8XQbyLjVjtwFBaAYbZBsyWP5ZCtYPYz3h44im3N9ZkUIiY5gLjebRztzt4nRBviHYYJyzyGkvwl4Vq6vnBcxXZ4D3LquIEfR7gunFkNXxaKjqDC7YHA,,&typo=1" \t "_blank).
* Some airlines have stated that they temporarily will not sell middle seats to keep passengers as separated as possible. Frontier Airlines, however, has stated that they will charge customers $39 extra to sit next to an empty seat. Frontier indicated that this will guarantee the middle seat stays unoccupied during flights, allowing for a small amount of social distance from other people in a situation where it's not possible to keep six feet apart.