May 6, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for May 6, 2020:

**Congress**

* **COVID-19 Package Intelligence**
  + Sen. Chuck Grassley (R-IA), following Majority Leader McConnell’s position, stated today that the payroll tax cut proposed by President Trump should not be a priority for an additional COVID-19 relief package.
  + House Democrats continue to build their proposal for a “CARES 2” package. Speaker Pelosi has requested Committees to provide input this week. It is likely that the package will include hazard pay for frontline workers and rent and mortgage relief, in addition to broader funding for state and local governments.
  + House Oversight Committee Chairwoman Carolyn Maloney (D-NY), and other Democrats, introduced legislation that forgives the private or federal student loans for graduate or professional degrees by doctors, nurses, medical residents, mental health professionals, home healthcare workers or others who are caring for COVID-19 patients. It also includes researchers working on a cure or vaccine for the disease.
* Today, the Senate Commerce, Science, and Transportation Committee held a hearing entitled “The State of the Aviation Industry: Examining the Impact of the COVID-19 Pandemic.” Our full coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/senate-commerce-hearing-on-the-aviation-industry-and-covid-19.pdf).
  + Witnesses included Eric Fanning, President and Chief Executive Officer of the Aerospace Industries Association, Nicholas Calio, President and Chief Executive Officer of Airlines for America, Dr. Hilary Godwin, Dean of the School of Public Health at the University of Washington and Todd Hauptli, President and Chief Executive Officer of the American Association of Airport Executives.
* The Senate Environment and Public Works Committee today marked up and unanimously passed out of committee two water resources development bills, the America’s Water Infrastructure Act of 2020 (AWIA 2020) and the Drinking Water Infrastructure Act of 2020.
  + During his comments during the mark-up Ranking Member Tom Carper (D-DE) flagged two issues: the equitable distribution of funds from the Harbor Maintenance Trust Fund and standards under the Clean Water Act limiting the amount of PFAS in drinking water. Ranking Member Carper and Chairman John Barrasso (R-WY) plan to address these issues before the bills are considered on the Senate Floor.
* The Senate Armed Services Committee held a hearing today on Pentagon spectrum policy following the Federal Communications Commission's (FCC) approval of Ligado's controversial 5G wireless proposal.
  + Witnesses included Pentagon Chief Information Officer Dana Deasy, Research and Engineering Chief Michael Griffin, Chief of Space Operations Gen. John Raymond and retired Coast Guard Commandant Adm. Thad Allen.
  + We will include coverage of this hearing in our update tomorrow.
* During the House Appropriations Subcommittee hearing on COVID-19 today, both Chairwoman Rosa DeLauro (D-CT) and Ranking Member Tom Cole (R-OK) expressed support for a plan proposed by former Centers for Disease Control and Prevention (CDC) Director Tom Frieden that would move federal dollars meant to guard against health threats into a fund not subject to budget cap limitations. Both also expressed the need for the Administration to provide witnesses for the Committee. Dr. Fauci was not permitted to testify.
* After a hearing in front of the Senate Intelligence Committee, Rep. John Ratcliffe’s (R-TX) nomination to be the Director of National Intelligence could be considered on the Senate floor as soon as next week. He has not yet been voted out of the committee.
* Senate Finance Committee Chairman Chuck Grassley (R-IA), Small Business Chairman Marco Rubio (R-FL), Sen. Ron Wyden (D-OR), Sen. John Cornyn (R-TX), and Sen. Tom Carper (D-DE) today introduced legislation that would clarify that businesses can deduct items like wages and rent that were paid for by forgivable Paycheck Protection Program (PPP) loans. The Senators say it would give companies another needed boost during the tough times caused by COVID-19.
* Representatives Chris Pappas(D-NH), Brian Fitzpatrick (R-PA), Gil Cisneros (D-CA), and Greg Steube (R,-FL) have introduced bipartisan legislation to ensure local chambers of commerce and other nonprofits who support small businesses can receive the federal assistance. The Local Chamber, Tourism, and 501(c)(6) Protection Act would expand PPP eligibility to include 501(c)(6) organizations with 300 or fewer employees. More information can be found [here](https://pappas.house.gov/media/press-releases/pappas-introduces-bipartisan-legislation-protect-local-chambers-and-other-non" \t "_blank).
* Reps. Debbie Dingell (D-MI), Fred Upton (R-MI), and Marcy Kaptur (D-OH) are circulating a letter requesting lawmakers provide relief to auto manufacturers and suppliers. The letter states that the industry is facing challenges that in some cases “exceed those of the 2008 financial meltdown,” which led to an $80B bailout for the sector. The letter is still in draft form and has not yet been made public, but more information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.ttnews.com%2farticles%2fauto-state-lawmakers-mobilize-push-help-revive-car-industry&c=E,1,OHV5GfaYHA2Yzj6x-yhC0HivaQybpLu2C0YbNnGAqK4J-tu8v45YrruPQi_lHEkRulcjsLx2A6VDwATTbgyyBe0FUNtTP3pI1Gngf481PigwltK1xXpV2uOMoqJ-&typo=1" \t "_blank).
  + BMW Group also issued a [press release](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.press.bmwgroup.com%2fglobal%2farticle%2fdetail%2fT0308177EN%2fad-hoc-release%3a-bmw-ag-updates-guidance-for-financial-year-2020&c=E,1,QLecFvrSrmFo9UYDtztQhzP1XbH-kS0uaYplIQjziM6-oDebLdw4KylZIkvO8hpDDIbDSD5V5pUHWbLs8snApjxsj8Zx1yCUphwENfG4KWmRUbw8&typo=1" \t "_blank) today noting the significant impact the pandemic has had on the automaker. The release specifically mentions that BMW Group’s profitability earnings have been reduced to zero due to a first quarter drop in demand across the industry.
* A Senate resolution that would call on a cease in hostilities against Iran, which passed both the House and Senate in March was sent to the White House today and promptly vetoed by President Trump.
* As reported earlier this week, Dr. Anthony Fauci will testify next week in front of the Senate Health, Education, Labor, and Pensions Committee regarding the federal COVID-19 response.
* Dr. Rick Bright, who has filed a whistleblower complaint about allegedly ignored warnings about the virus, will testify in front of the House Energy and Commerce Committee next week.
* Senators Ed Markey (D-MA) and Richard Blumenthal (D-CT) called for the creation of a multi-agency task force to oversee air travel during the pandemic. They proposed the task force in new [legislation](https://www.markey.senate.gov/imo/media/doc/COVID%20Air%20Travel%20Task%20Force.pdf" \t "_blank) that they introduced this week. A full press release can be found [here](https://www.markey.senate.gov/news/press-releases/senators-markey-and-blumenthal-to-introduce-legislation-convening-aviation-security-and-public-health-experts-to-ensure-safe-air-travel-during-and-after-coronavirus-pandemic" \t "_blank).
* Rep. Matt Gaetz (R-FL) sent a [letter](https://gaetz.house.gov/sites/gaetz.house.gov/files/wysiwyg_uploaded/Final%20Letter%20for%20Site.pdf" \t "_blank) to Attorney General William Barr calling on the Justice Department to ground the DJI drones that are flown by federal, state, and local governments, citing cybersecurity concerns and concern that DJI had given out drones to local public safety agencies to help with COVID-19 response.
* As reported yesterday, two proposals have been released by Senators Todd Young (R-IN) and Michael Bennet (D-CO). One of the proposals would make some fixes to the PPP and the covered period to deploy PPP funds and therefore earn loan forgiveness. The other proposes a new program designed to help small and medium sized businesses. With respect to the second proposal, the employment cap for eligibility would be 5,000. The second proposal also would provide forgiveness based on loss in revenues and may be applied for within 2 years of receiving the loan. More information on the proposals can be found [here](https://www.young.senate.gov/newsroom/press-releases/young-bennet-announce-major-new-proposals-to-support-hardest-hit-small-and-mid-sized-businesses" \t "_blank).

**Administration**

* The Internal Revenue Service (IRS) confirmed on Wednesday that deceased individuals are not eligible for COVID-19 economic stimulus payments and gave instructions for how family members can return the money. The notice also clarified that individuals who are incarcerated are not eligible for the payments.
  + Some U.S. citizens who have been denied the stimulus payments are asking federal courts to declare their exclusion unconstitutional.
* As the White House transitions the focus of the COVID-19 task force to reopening the economy, top economic advisers are expected to unveil new economic and tax policy proposals in the near term.
* Today, further details were released regarding the bulk-power executive order (EO) signed by President Trump last Friday. The EO calls on the Department of Energy to investigate nearly 20 different kinds of grid devices, including large generators, power transformers, circuit breakers, industrial control systems and metering equipment. The White House said the EO is designed to prevent U.S. adversaries from embedding software in those devices that can surveil or disrupt power delivery.
  + The Department of Energy will release a rulemaking proposal within 150 days that details which devices will be singled out for bans or increased oversight.
* Federal Register Notices
  + A notice was issued today by the Federal Maritime Commission directing its Commissioner Louis E. Sola to engage cruise industry stakeholders, including passenger vessel operators, passengers, and marine terminal operators, in public or non-public discussions to identify commercial solutions to COVID-19-related issues that interfere with the operation of the cruise industry. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f06%2f2020-09623%2fcovid-19-impact-on-cruise-industry-order&c=E,1,LimNwYyLEmqcFm3w_RjLc5W0Jv7Qeu8-3kvfJDCfHqiQ1jxMYCCjicuB3sjr6bZgy1CvRz7BcRyGtj9xME2SqRGK3PCa0KUYyiY8v1w_s5lMWV9lrYhgPsgS_IbYzQ,,&typo=1" \t "_blank).
  + The Federal Motor Carrier Safety Administration (FMCSA) announced responses to comments received on the Crash Preventability Determination Program proposal and announced the start of the its new Crash Preventability Determination Program. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f06%2f2020-09679%2fcrash-preventability-determination-program&c=E,1,kkIllwFSLLVC95k38q0aiCTJRGXXip-h2rENvDJnO5HIGqSW8K4B0HeWocoy9mlN9ISqu72hOw0o8yhXLjZ3yzNCviDpPN8k5e7x8DNXV467r-c4ygd5njBg&typo=1" \t "_blank).

**Other News**

* The Air Line Pilots Association (ALPA), the largest pilots’ union, has increased pressure on the Federal Aviation Administration to mandate that airlines comply with CDC recommendations for health monitoring and cleaning. ALPA asserts that the airlines have not been complying with public health guidelines. ALPA today published a [report](https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fwww.alpa.org%2f-%2fmedia%2fALPA%2fFiles%2fpdfs%2fnews-events%2fpress-release-content%2f2020%2fairline-noncompliance-covid-19.pdf&c=E,1,YgiNP5OhFsuEpUv1_uWdS1dvyXJySqJ_C9fBe07W_nLxth_KPwPOj2GYMD0LXeqi153pWTLSnklF0JoEohinJIJgFr7ILtyUzbDRy_QoFaArAu1E1DdebwIdGz1QYA,,&typo=1" \t "_blank) about the noncompliance they feel they have witnessed among airlines.
* The massive drop in surface vehicle traffic since COVID-19 shutdowns began has dramatically reduced collection of the gas tax which is a major funding mechanism for the Highway Trust Fund. With the surface transportation bill expiring on September 30th and funding for the reauthorization having been the sticking point before the pandemic, Highway Trust Fund shortfalls will further complicate conversations regarding reauthorization of the measure.
* The International Air Transportation Association (IATA) recommended that middle seats should not be left free, claiming that doing so does not further protect the passengers and that it would reduce revenues and raise costs. Frontier Airlines said they would charge passengers $39 to keep the seats open.
* Airports Council International yesterday reported that the decline in global airport revenues could near $100B in 2020.
* The New York Times published an [article](https://www.nytimes.com/interactive/2020/05/06/travel/coronavirus-travel-questions.html" \t "_blank) today detailing the impact of COVID-19 on all stakeholders in the travel industry and how travel could change after the pandemic.