May 13, 2020

TO: USTOA Members
FR: Terry Dale

Below is our COVID-19 Update for May 13, 2020:

**Congress**

* Elevate expects the House will vote on two pieces of legislation Friday, H.Res.965 and the HEROES Act.
	+ H.Res.965 authorizes Speaker Pelosi (D-CA), in consultation with Minority Leader McCarthy (R-CA), to temporarily implement remote committee proceedings and remote voting in the House. This authorization would last for 45 days, with the option for the authorization to be extended or renewed if the public health emergency persists or if there is a resurgence.
		- Speaker Pelosi (D-CA) and House Majority Leader Hoyer (D-MD) released a more detailed breakdown of the remote workplan, which can be found [here](https://rules.house.gov/sites/democrats.rules.house.gov/files/CongressionalEmergencyRemoteProceedings.pdf).
	+ The House will also vote on the HEROES Act, which we reported on yesterday.
* The Senate began debate on Foreign Intelligence Surveillance Act (FISA) authorizations today. The House passed H.R. 6172 in March, but the bill was not considered by the Senate amid concerns from civil liberties advocates. Authorization under FISA expired March 15.
* Republicans and Democrats have taken different views on merger policy and approvals during the COVID-19 period.
	+ A recent Republican letter, which went to the Justice Department and the Federal Trade Commission, criticized Democratic efforts to limit mergers during the pandemic.
	+ A recent Democratic letter, which was addressed to the Secretary of the Treasury and the Federal Reserve Chairman, asked them to block large companies receiving coronavirus relief funds from engaging in mergers.
* Rick Bright, the former head of the Biomedical Advanced Research and Development Authority (BARDA), testifies before the House Energy and Commerce Committee on Thursday. He is expected to highlight that leadership at the Department of Health and Human Services ignored his warnings in January, February and March about a potential shortage of medical supplies.
* Sens. Markey (D-MA), Warren (D-MA), Blumenthal (D-CT), Murphy (D-CT), and Harris (D-CA) today introduced the Cash Refunds for Coronavirus Cancellations Act. It requires major airlines and third-party ticket sellers to offer full cash refunds for all cancelled tickets during the COVID-19 pandemic. These refunds would apply, regardless of whether the airline cancelled the flight, or the passenger cancelled their individual ticket. More information, including the text of the legislation, can be found [here](https://www.markey.senate.gov/news/press-releases/senators-markey-warren-blumenthal-murphy-and-harris-to-introduce-legislation-requiring-airlines-return-billions-to-consumers-during-coronavirus-pandemic).
* The Senate Commerce, Science, and Transportation Committee held a [hearing](https://www.judiciary.senate.gov/meetings/examining-liability-during-the-covid-19-pandemic) today entitled “The State of Broadband Amid the COVID-19 Pandemic” – our coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/senate-commerce-broadband-hearing-5-13-20.pdf).
* The Senate Homeland Security and Governmental Affairs Committee held a [hearing](https://www.hsgac.senate.gov/evolving-the-us-cybersecurity-strategy-and-posture-reviewing-the-cyberspace-solarium-commission-report) today entitled “Evolving the U.S. Cybersecurity Strategy and Posture: Reviewing the Cyberspace Solarium Commission Report” – our coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/senate-hsgac-solarium-hearing-5-13-20.pdf).
* Representatives Peter DeFazio (D-OR) and Frank Pallone (D-NJ), Chairmen of the House Transportation and Infrastructure and House Energy and Commerce Committees respectively, introduced a [resolution](https://defazio.house.gov/media-center/press-releases/chairs-peter-defazio-and-frank-pallone-jr-introduce-legislation-to) late yesterday to withdraw from the World Trade Organization (WTO). As Elevate stated previously, Senator Josh Hawley (R-MO) introduced a similar measure.
* Commerce Committee Chairman Roger Wicker (R-MS), along with Senators Jacky Rosen (D-NV) and Subcommittee on Science, Oceans, Fisheries, and Weather Chairman Cory Gardner (R-CO) introduced the Cybersecurity Competitions to Yield Better Efforts to Research the Latest Exceptionally Advanced Problems (CYBER LEAP) Act of 2020 . The bill directs the Secretary of Commerce, in coordination with relevant agencies, to establish grand challenges to achieve high-priority breakthroughs in cybersecurity. The bill would also:
	+ Based off the recommendations from the Cybersecurity Moonshot Initiative, establish cybersecurity grand challenges on improving the economics of a cyber-attack, cybersecurity workforce, emerging technology, digital identity, and federal government cybersecurity.
	+ Leverage open innovation authorities to hold a series of prize competitions.
	+ Allow funding for the challenges to be pooled from multiple federal agencies and non-federal entities.
		- More information and a full press release can be found [here](https://www.commerce.senate.gov/2020/5/wicker-rosen-gardner-introduce-cyber-leap-act-to-foster-collaboration-innovation-in-cybersecurity).
* Senator Wyden (D-OR) recently introduced the 21st Century Conservation Corps for Our Health and Our Jobs Act that would increase funding for wildfire prevention and preparedness to better protect the health and safety of communities during the unparalleled combination of threats posed by wildfire season and the COVID-19 pandemic. Specifically, the legislation:
	+ Provides an additional $3.5B for the U.S. Forest Service and $2B for the U.S. Bureau of Land Management to increase the pace and scale of hazardous fuels reduction and thinning efforts, prioritizing projects that are shovel-ready and environmentally-reviewed;
	+ Establishes a $7B relief fund to help outfitters and guides who hold U.S. Forest Service and U.S. Department of the Interior special use permits;
	+ Establishes a $9B fund for qualified land and conservation corps to increase job training and hiring;
	+ Provides an additional $150M for the Collaborative Forest Landscape Restoration Program;
	+ Provides $6B for U.S. Forest Service capital improvements and maintenance;
	+ Provides $500M for the Forest Service State and Private Forestry program, which will be divided between programs to help facilitate landscape restoration projects on state, private and federal lands, including $100 million for the Firewise program to help local governments plan for and reduce wildfire risks;
	+ Provides $10B for on-farm water conservation and habitat improvement projects;
	+ Provides full and permanent funding for the Land and Water Conservation Fund; and
	+ Provides $100M for land management agencies to purchase and provide personal protective equipment (PPE) to their employees, contractors and service workers.

**Administration**

* Federal Reserve Chairman Jerome Powell today warned of lingering economic effects of the COVID-19 pandemic and that additional Congressional spending to provide relief would be prudent and worth the increased deficit. The market dropped precipitously after his remarks.
* The Department of Transportation yesterday published an [FAQ document](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.transportation.gov%2fsites%2fdot.gov%2ffiles%2f2020-05%2fRefunds-%2520Second%2520Enforcement%2520Notice%2520FINAL%2520%2528May%252012%25202020%2529.pdf&c=E,1,Wv7hxoU1feC7h0XH4V2IrkRYJu2ltuKsUPTYYWi8Nen_zvGjizVFpXRLVQfR72lt2EbpkMuErEot7THcfwYDXCn2eeZnO5u9xqMNDUt49GgNCg,,&typo=1) on airline refunds, as the Department received 25,000 complaints in March and April. Airline refunds remain a focal point for individual travelers and travel companies whose trips were cancelled or unable to take place due to the pandemic.
* U.S. Trade Representative Robert Lighthizer stated in an op-ed in the New York Times that he believes the COVID-19 pandemic, and ensuing supply chain issues for American companies, will slow the massive move of production offshore.
* Secretary of Energy Dan Brouillette asserted Tuesday that the Bulk Power Executive Order that President Trump signed on May 1 will target equipment used in large-scale power generation and transmission lines and will not include devices like rooftop arrays or home batteries on smaller-scale local utility systems.
	+ Assistant Energy Secretary Bruce Walker also acknowledged in the same interview that projects that involved transmissions systems will fall within the range of the executive order, but that the Department of Energy would work with developers to calm concerns.
	+ Wind, solar, and storage companies, however, have said they are mostly concerned about their large-scale projects that tie directly into utility transmission systems.
	+ Fossil generation owners have also expressed long term supply chain concerns for power plant parts. Energy companies at large have criticized Secretary Brouillette for not giving advance warning of the Executive Order.
	+ Renewable energy developers now remain cautious about buying any equipment from China, some even going as far as to say that until rules on the execution of the order are published, they will not buy new parts from China, further hampering their already pandemic-impacted projects.
* The Department of Treasury released its revenue report that included data on the Highway Trust Fund collections to date this year. The fuel and truck taxes that feed the Trust Fund were down 14% since April 2019. This decrease is less than expected, but a steep drop off is still expected either this month or next month as this report only reported taxes paid by bulk operators not individual purchasers and covered pre-COVID months. Overall, driving has decreased 42% since January. Auto sales are down 27% year over year, with a heavy drop off for March.
* The Department of Commerce is self-initiating an investigation into whether Chinese steelmakers are attempting to get around protective duties by moving their steel products, particularly flat rolled stainless steel, through Vietnam. Commerce said imports of stainless sheet and strip from Vietnam increased in value by 180 percent since the original orders were placed on Chinese stainless sheet in March 2016.
* Export-Import Bank of the United States (EXIM) President and Chairman Kimberly A. Reed today concluded a series of teleconference listening sessions with 30 of EXIM's delegated authority lenders, discussing EXIM's temporary relief measures and other efforts to protect both exporters and the taxpayer during the COVID-19 pandemic. More information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fchairman-reed-discusses-exim%25E2%2580%2599s-covid-19-response-30-exim-delegated-authority-lenders&c=E,1,TD85swFjhW3YBriKAMYDZOZLlgvabt-eZ16o8O2a7Zlqei3aQ_bfc6ETx_9l_xQV2_HxnHzmoEYR8e5q8QrVQK2soExLrOlspdbDMNxBxcAQuMgVZd_Y57E,&typo=1).
* Federal Register Notices
	+ The Federal Communications Commission is seeking comment on whether to modify the Commission's rules governing the use of distributed transmission system (DTS) technologies by broadcast television stations. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f13%2f2020-09625%2frules-governing-the-use-of-distributed-transmission-system-technologies-authorizing-permissive-use&c=E,1,dDEq0pGlDj9RtWPaoB3e6aexEeFCkiCfKgNwaJ5i3JT6sY47J7uD5HitfZme4XycKghSI1TG-VbRGZMxoeCSgmJRjI4M93rpM_jVgft_LIE,&typo=1).

**Other News**

* American, Delta, and United Airlines have told employees that they may deny entry to the aircraft at the gate to anyone not wearing a face covering and will provide masks to passengers who do not have them. However, once a passenger is on the aircraft, the carriers have told their employees to encourage and urge passengers to wear their masks, rather than requiring.
	+ American Airlines specifically also told its pilots that noncompliance with face coverings would not be sufficient reason for a flight diversion.
* More than 250 leading economists sent a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.ntu.org%2flibrary%2fdoclib%2f2020%2f05%2feconomist-letter-2-.pdf&c=E,1,Mx-5KeeTNugP5hbmbi9flkKgQhYj1Zgn2kP8plByr78Z2Z_nrdfmMTEI4infTyHEYGCTYIqXkW364OcHkenQcnkEdGBONyfd-cqvL-TgVlZCkg,,&typo=1) to President Trump and Congressional leaders to advocate against new “Buy America” requirements on medical goods and medicine as a response measure to the COVID-19 crisis, citing that the “supply, and price of goods” available in America will suffer as a result.
	+ The Administration is reportedly considering an executive order to require the Departments of Defense, Veterans Affairs, and Health and Human Services, to increase domestic purchases of medical goods to encourage domestic production.
	+ House Democrats had been interested in a provision to increase domestic production as well but failed to include a provision in the HEROES Act.
* The Alliance for Trade Enforcement, a group of 10 industry and business groups, was formed to push for other countries to stop unfair trading practices that harm American workers and help the Trump Administration and Congress enforce trade deals.
* According to the US Travel Association, in the week ending May 2, the travel economy witnessed its first expansion in nine weeks but still registered 88% below last year's levels (a $19.4 billion loss).