May 14, 2020

TO: USTOA Members

FR: Terry Dale

USTOA Members listened in on the **USTOA Town Hall Meeting** on May 12 where they heard directly from Active Member panelists as they shared market intelligence and insight to help us strategically plan for the COVID-19 recovery. [CLICK HERE](https://youtu.be/dIOSuH5dYzw) to view the 1 hour recording.

Below is our COVID-19 Update for May 14, 2020:

**Congress**

* The House Rules Committee met today on procedures for the consideration of H.Res.965, which would enable remote voting by proxy, as well as the HEROES Act (H.R. 6800). A vote is scheduled for tomorrow on both measures.
  + 22 amendments, including an 89-page manager’s amendment, to the HEROES Act have already been filed with the Rules Committee.
    - Among the provisions in the manager’s amendment is a scaling back of student loan forgiveness and a prohibition for Paycheck Protection Program (PPP) loans to be used for salaries of registered lobbyists. The student loan provision would limit the $10,000 forgiveness originally proposed for all students to those who were “economically distressed” as of March 12.
* Senate Majority Leader Mitch McConnell (R-KY) has instructed his Republican Committee Chairmen to resume consideration of non-COVID legislation. This signals the Senate’s intention not to consider the HEROES Act now.
  + The Senate Commerce Committee is scheduled to hold a broad [markup](https://www.commerce.senate.gov/2020/5/committee-announces-markup-on-may-20" \t "_blank) of legislation and nominations on May 20. Legislation to be considered includes:
    - S. 2894, Federal Maritime Commission National Shipper Advisory Committee Act of 2019
    - S. 2904, Identifying Outputs of Generative Adversarial Networks (IOGAN) Act
    - S. 3681, A bill to require a joint task force on the operation of air travel during and after COVID-19 pandemic, and for other purposes
    - S. 3704, Advanced Technological Manufacturing Act
    - S. 3712, Cybersecurity Competitions to Yield Better Efforts to Research the Latest Exceptionally Advanced Problems (CYBER LEAP) Act of 2020
    - S. 3717, Spectrum IT Modernization Act of 2020
    - S. 3728, Critical Infrastructure Employee Protection Act of 2020
    - S. 3729, Motor Carrier Safety Grant Relief Act of 2020
    - Bioeconomy Research and Development Act of 2020
    - S. 3730, Registered Traveler Act of 2020
* As we have reported, the House Energy and Commerce Committee heard testimony on COVID-19 response scientific integrity from Mike Bowen, Executive Vice President, Prestige Ameritech, and Rick Bright, Former Director of the Biomedical Advanced Research and Development Authority (BARDA).
* Sen. Cory Gardner (R-CO) today announced his support for Sen. Josh Hawley’s (R-MO) proposal for payroll relief to limit unemployment in a break with Senate Republican leadership. Hawley’s proposal would provide payroll assistance at up to 120 percent of a rehired worker’s pay, with a $50,000 cap. Sen. Hawley has been seeking support from within his caucus for weeks and Sen. Gardner’s support shows that not all Senate Republicans are content with leadership’s “wait and see” approach to the next COVID-19 relief package.
  + The bonus pay is aimed at providing incentives for companies to bring back workers and make up for some of the employees’ pay losses while they are unemployed. It would also apply to new hires for businesses staffing up for post-lockdown commerce.
  + The legislation would also pay up to 80% of workers’ wages for employees that businesses have kept on their payrolls.
  + Companies would also be eligible for grants for new investments in their companies if their revenues have decreased by at least 20% during the pandemic.
    - Companies that have already received money from the PPP would be eligible once PPP loans are exhausted.
* The Senate today passed H.R. 6172 reauthorizing surveillance under the Foreign Intelligence Surveillance Act (FISA) in an 80-16 vote. The Senate amended the House bill, and thus it now goes back to the House where it could face more delays and changes. It remains unclear if the President will sign the legislation, should both chambers pass it.
  + The Senate bill incorporates new privacy provisions into FISA and imposes new requirements on the FISA court system. It also permanently ends a deactivated NSA program that had allowed the country’s largest intelligence organization to obtain, with judicial approval, Americans’ phone records in terrorism probes.
* Sen. Richard Burr (R-NC) will temporarily step down as chairman of the Senate Intelligence Committee amid an ongoing investigation over his recent stock trades.
* Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell are scheduled to testify before the Senate Banking Committee next week in the first quarterly report to Congress mandated by the CARES Act.
* Environmental Protection Agency (EPA) Administrator Andrew Wheeler will testify before the Senate Environment and Public Works Committee next week at an oversight hearing likely to be focused on a lawsuit from eight states on EPA’s enforcement policy that relaxed certain regulatory requirements during the COVID-19 pandemic. The states on the lawsuit are New York, California, Illinois, Maryland, Michigan, Minnesota, Oregon, Vermont and Virginia.
* Senators Mazie Hirono (D-HI), Amy Klobuchar (D-MN), Gary Peters (D-MI), and Jacky Rosen (D-NV)recently introduced S.3701,the Supporting Connectivity for Higher Education Students in Need Act, which would create an $1B Emergency Higher Education Connectivity Fund that would be housed within the National Telecommunications and Information Administration (NTIA).Democratic Reps. Anna Eshoo (D-CA), Doris Matsui (D-CA), G.K. Butterfield (D-NC), Marcia Fudge (D-OH), Joaquin Castro (D-TX), Lisa Blunt Rochester (D-DE) and Alma Adams (D-NC) introduced the House companion legislation.
* Democrats in the House and Senate today introduced legislation to expand protections around the collection and use of consumer data during the coronavirus pandemic. The Public Health Emergency Privacy Act is being led by Sens. Richard Blumenthal (D-CT) and Mark Warner (D-VA) in the Senate and Reps. Anna Eshoo (D-CA), Suzan DelBene (D-WA) and Jan Schakowsky (D-IL), the Chairwoman of the House Energy and Commerce Consumer Protection Subcommittee, in the House. Details, including bill language have not yet been released publicly, but the legislation is a clear response to Senate Republicans’ COVID-19 Consumer Data Protection Act which was also introduced this week. A copy of the legislation is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/05-14-20-public-health-emergency-privacy-act.pdf) to the update.
* The Congressional Budget Office sent a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.cbo.gov%2fpublication%2f56359&c=E,1,SS_ypOLMufXOH-UYIUSA4COBXl5zXRD18x3dkHfM78NETG7_Tw_nXvzYKK9HDEVqU3NLvJc8jw4ZwfPzmflxFUTbkQsrrTQ-BiCnGUJtkY7sVw,,&typo=1" \t "_blank) to Senate Budget Committee Chairman Mike Enzi (R-WY) announcing that it plans to release more detailed economic projections for the next two years this coming Tuesday.
* Efforts to withdraw the United States from the World Trade Organization (WTO) continue. In the House in particular, House Ways and Means Committee Chairman Richie Neal (D-MA) has not commented publicly on the effort, but he voted against withdrawal in 2000 and 2005. Also, under the Chairman’s leadership, the Ways and Means Committee approved a bipartisan resolution late last year reaffirming the United States’ support for the WTO.

**Administration**

* The Administration is planning to tap a former pharmaceutical executive as its “Therapeutics Czar” to help speed up the development of potential coronavirus vaccines. Elevate understands that Moncef Slaoui, former vaccine head at GlaxoSmithKline (GSK), is being tapped for the position.
* The Federal Aviation Administration (FAA) today held an Aviation Safety Town Hall featuring Administrator Steve Dickson. The two panels included aviation industry executives, FAA leaders, and representatives from industry union groups. The panel covered the use of safety management systems during reduced flight volume, parked aircraft and associated risk, and seating protocols, among other topics. Our coverage of the town hall is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-05-14-faa-aviation-townhall.pdf).
* The Administration plans to unveil an Executive Order that would indefinitely extend border restrictions to Mexico and Canada amid the COVID-19 pandemic. The order would keep legal points of entry shuttered and restrict nonessential travel through Mexico and Canada until the director of the Centers for Disease Control and Prevention (CDC) concludes that the COVID-19 pandemic no longer poses a threat to public health.
  + CDC officials would continue to assess the threats posed by the virus every 30 days. The new plan would give Robert Redfield, director of the CDC, authority over when the U.S. borders are safe to reopen.
* The CDC released updated guidelines for businesses, restaurants, schools and more on safety precautions to take upon reopening. The White House coronavirus task force asked the CDC to revise a more extensive set of guidelines that the agency had prepared more than a month ago on grounds that previous guidelines were too prescriptive.
* The Administration will introduce plans today that expand the Strategic National Stockpile. The Administration plans to enter into contracts with manufacturers to rotate supplies into the Strategic National Stockpile on a continuous basis to avoid having to use the Defense Production Act in a future health emergency by keeping manufacturing capacity continuously available.
* The Small Business Administration today issued an interim final rule expanding eligibility for the Paycheck Protection Program to nonprofit power cooperatives that are exempt from federal income taxation under section 501(c)(12). The rule can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/05-14-20-interim-final-rule-on-nonprofit-power-cooperatives-ppp-eligibility.pdf).
* The President yesterday blamed the way the U.S.-China trade deal has played out on the COVID-19 pandemic. At this time, however, there remains no indication that the President intends to pull out of the U.S.-China deal that was signed on January 15, or that his Administration plans to take steps to punish Beijing for falling short on implementation.
  + The President did indicate that he would look at Judiciary Committee Chairman Lindsey Graham’s (R-SC) proposal that would authorize sanctions on China if it fails to fully explain the events leading up the coronavirus outbreak and ensuing pandemic.
* The Federal Motor Carrier Safety Administration (FMCSA) extended its emergency declaration that eases certain trucking regulations until June 14. The declaration that included exemptions for drivers carrying certain essential loads from hours of service rules, among other things, is unchanged.
* The Trump Administration indicated today that they U.S. will remain a member of the WTO and help pick its next leader, despite pushes by some lawmakers urging withdrawal mentioned above. President Trump has criticized the WTO on a number of occasions claiming that the organization is favorably tilted in favor of China.
  + WTO Director-General Roberto Azevêdo surprised the group's 164 members by announcing plans to step down this September, one year before the end of his second four-year term.
* The Small Business Administration (SBA) posted an [interim final rule](https://home.treasury.gov/system/files/136/Interim-Final-Rule-on-Loan-Increases.pdf" \t "_blank) that will allow lenders to increase existing Paycheck Protection Program (PPP) loans to partnerships and seasonal employers. The SBA also extended the safe harbor for returning PPP loans from May 14 to May 18 in their updated [FAQs](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.journalofaccountancy.com%2fnews%2f2020%2fmay%2fsba-increases-ppp-loans-to-partnerships-extends-safe-harbor-may-18.html&c=E,1,fVAw5KfS_BOpDpfPUjgcrQAlgea0VkfCIPLOL1LvHiDx4RRmWiYqN6M8s7EEE4BSuj5JoBWipMc-Vy6MzkuKmkXVWZpZTogUdhXOhgDGy3lvEfrN-g,,&typo=1" \t "_blank) on page 44.
* Federal Register notices
  + FEMA is submitting a request for information collection to the Office of Management and Budget regarding the Port Security Grant System. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f14%2f2020-10379%2fagency-information-collection-activities-submission-for-omb-review-comment-request-fema-preparedness&c=E,1,HUocSD4I9FNyLJu1NTQIWYz20nRfE5cacQRCiI6TFaDDxpLvGdf97sFNmxYNVvLwax8S2KDLW_MsW3B_JVGQYswDknBmM1uM1d-LLXSSFRCxhNj7vNaefCvaH1nlSw,,&typo=1" \t "_blank).
  + The US Citizenship and Immigration Service is temporarily removing certain limitations on employers or U.S. agents seeking to hire certain H-2B workers already in the United States to provide temporary labor or services essential to the U.S. food supply chain, and certain H-2B workers, who are essential to the U.S. food supply chain, seeking to extend their stay. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f14%2f2020-10486%2ftemporary-changes-to-requirements-affecting-h-2b-nonimmigrants-due-to-the-covid-19-national&c=E,1,FwAGgMVWxDi3jPXv0SGR7j90V4Ti7Gz-DMhzVnC-YxHWaPeh4vkZvmyZQ5UVdpoeAy9N_lb-Hc_WVzi5U1RHGBXgQB4-Hr8-57ozALdNgBwVxA,,&typo=1" \t "_blank).

**Other News**

* The Labor Department today reported that 3 million new unemployment claims were filed last week. The eight-week total of COVID-19-related layoffs now stands at 36.5 million.
* A group of privacy and consumer advocates filed a [complaint](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fcommercialfreechildhood.org%2fwp-content%2fuploads%2f2020%2f05%2ftik_tok_complaint.pdf&c=E,1,eVBbkihjhO80XYxIZxfqtqFwZRxlmCPyeJtzQgUwZzGJIpVTuSbVQepRs-90bZyEnFHn5-T2X4ApqH1kryERbAJiQPXh8Pphkp1XQdBBFm9g0yQdPQIWrE47pQ,,&typo=1" \t "_blank) with the Federal Trade Commission (FTC) today accusing TikTok of violating the Children’s Online Privacy Protection Act (COPPA). The move comes on the heels of a $5.7 million fine in early 2019 levied by the FTC against TikTok for violating COPPA.
* Mexican President Andrés Manuel López Obrador announced on Wednesday that Mexico will begin a limited reopening on May 18, but auto companies won't be allowed to restart production until June 1. In the U.S., most automakers will resume limited production on Monday. Some industry groups have voiced concern about major supply chain disruptions if there was a lack of coordination on reopening the auto industry across the North American region.
  + Additionally, construction, mining, and transportation equipment manufacturers, namely automotive manufacturers, are being added to the list of essential industries in Mexico to allow them to begin resuming operations on June 1.
  + Mexico’s government has also said it intends to lift quarantine, and therefore will allow people to go back to work, in 269 counties in 15 Mexican states.
* The International Civil Aviation Organization (ICAO) issued a bulletin today calling for the establishment of a “Public Health Corridor Concept” to “ensure continued flight operations with minimal restrictions on aircraft operations, whilst preventing the spread of COVID-19 through air travel and protecting the health and safety of crew and passengers.” More information can be found [here](https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fwww.capsca.org%2fDocumentation%2fCoronaVirus%2feb030e.pdf&c=E,1,vcaW9CVcdR7fwrTLPlsHIOL8eKwotqTb0H8epu1febcJWelaLg7AjmEOFy8scti7akSCAvmdYSu05hTY5xi3eldxFHRcXpg65y4a1XgfjPIE1pCjPdrz89PQ7Rqosw,,&typo=1" \t "_blank).
* The Owner-Operator Independent Drivers Association (OOIDA) sent a letter to Congress requesting a number of measures to aid the independent truck driver industry, including help to combat “unscrupulous” freight brokers, increased driver compensation and hazard pay, suspension of certain taxes and fees, and fixes to Small Business Administration relief programs. The full letter can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fcdllife.com%2f2020%2ftrucker-group-asks-congress-for-more-transparency-in-broker-transactions%2f&c=E,1,ssX4Q-87KIp4cudVVTvbcFsVYlpB22_ua2MI-XuFc4p35TXRMYc2ET2ZF5CtfGSMRbR2b5cUWlfA5d7nh3Fzce5mK1rFtUDZZix_PX_MpZPHpHveTbksZ6Xn&typo=1" \t "_blank).
* The International Air Transport Association (IATA) yesterday released their “[Roadmap to Resuming Operations](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.iata.org%2fcontentassets%2f5c8786230ff34e2da406c72a52030e95%2fsafely-restart-aviation-joint-aci-iata-approach.pdf&c=E,1,osRNYcgcnJVMi5hrDlMQPmm3J8-ncNgmmRWfDvnXF5lu5AoqQrovyloX4Q1WeWMMPEhtl4bKXtH_Iw0wXCPhS_T1F3VTs6fXgjygetuyDbYtstu51VHzT7DdhM4,&typo=1" \t "_blank)”, which outlines layers of precautions that must be in place on planes and at airports. In the Roadmap, IATA stated they do not expect worldwide passenger demand to surpass 2019 levels until 2023.
* Uber said yesterday that it is requiring drivers to wear masks. The company is taking other precautions as well to ensure drivers are complying.