May 15, 2020

TO: USTOA Members
FR: Terry Dale

Below is our COVID-19 Update for May 15, 2020:

**Congress**

* The House passed the Democratic proposal for the next round of COVID-19 relief, the HEROES Act, by way of a 208-199 vote. 14 Democratic Members voted “Nay”, one Republican Member voted “Yea” and 23 Members did note vote. The House also passed H.Res.965, which allows members to vote remotely by proxy and conduct committee business remotely, by way of a 217-189 vote.
	+ We still expect that the HEROES Act will serve largely as an opening offer from House Democrats and that the Senate Republicans will not act on the bill in its current form.
	+ We also continue to believe that the Senate will not act on additional COVID-19 relief until June at the earliest.
* According to the Joint Committee on Taxation (JCT), the HEROES Act would cut tax receipts by the federal government by $883B. Other taxation proposals would also significantly decrease the government’s receipts, according to the JCT. As a reminder, Federal Reserve Chairman Jerome Powell, who is set to testify before the Senate Banking Committee next week alongside Treasury Secretary Steven Mnuchin, has urged Congress to invest heavily into rehabilitating the economy, even if it causes a deeper budget deficit.
* Federal Communications Commission (FCC) Chairman Ajit Pai will participate before a House Energy and Commerce Telecommunication Subcommittee teleconference forum on Tuesday. Among the topics he is expected to discuss are the FCC’s new $200M Telehealth Program established by the CARES Act. He may also be asked about plans for the FCC’s T-band auction which has faced criticism both from the Chairman himself and lawmakers in Congress, though the auction is under a 2012 court mandate.
* House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) sent letters to [Airlines for America](https://transportation.house.gov/imo/media/doc/2020-05-14%20LTR%20PAD%20to%20A4A%20re%20load%20factors.pdf) and the [National Air Carrier Association](https://transportation.house.gov/imo/media/doc/2020-05-14%20LTR%20PAD%20to%20NACA%20re%20load%20factors.pdf) calling for stronger social distancing policies from airlines, including by leaving the middle seat open, after multiple reports of increasingly full commercial flights. This move would decrease the maximum capacity on narrow-body aircraft by up to 67%.
	+ Airlines have stated that leaving the middle seat open is not a viable solution from a business perspective. Speaking during the Federal Aviation Administration’s (FAA) Aviation Safety Town Hall yesterday, United Airlines Chief Operations Officer Greg Hart indicated that leaving middle seats empty for social distancing is unfeasible for their business model. As a reminder, this echoes testimony from Airlines for America CEO Nick Calio who made the same observation to Senators before the Senate Commerce Committee last week.
* Senate Commerce Committee Chairman Roger Wicker (R-MS) and Ranking Member Maria Cantwell (D-WA) today introduced S. 3704, the Advanced Technological Manufacturing Act which would reauthorize and expand the National Science Foundation’s (NSF) Advanced Technological Education (ATE) program.
	+ While not directly a COVID-19 bill, programs like the NSF’s ATE program and this legislation’s expansion of the number of institutions of higher education that can successfully compete for NSF grants, will play a role in workforce training as the economy recovers.
* Reps. Carolyn Maloney (D-NY), Jerrold Nadler (D-NY), Peter King (R-NY), and Senator Tammy Duckworth (D-IL) today introduced the Pandemic Heroes Compensation Act. The legislation would create a fund for essential COVID-19 workers and their families similar to the 9/11 Victims Compensation Fund. There is no indication yet what the total dollar amount would be for the fund and the sponsors hope it would be included in a future COVID-19 package separate from the HEROES Act.
	+ The fund would be authorized for five years and would close one fiscal year after claims can no longer be filed per the determination of a Special Master, a subordinate official appointed by a judge. The legislation could gain strong bipartisan support as support for the frontline workers has been widespread within Congress.

**Administration**

* [Reports](https://www.wsj.com/articles/tsa-preparing-to-check-passenger-temperatures-11589579570) from the Wall Street Journal indicate that the Transportation Security Administration (TSA) will begin conducting temperature checks on travelers as soon as next week. Some lawmakers and agency officials are questioning the legality and feasibility of the move. Administration officials have indicated that an initial rollout would cost less than $20M and that passengers would not be required to pay an additional fee.
	+ While airlines have advocated for temperature checks at security checkpoints, President and CEO of Airports Council International – North America Kevin Burke said that his group does not advocate for health screenings for air travel, but that its implementation should be supported by medical evidence, be administered by federal government officials, and avoid impacting airport operations.
* President Trump is appointing Brooke Rollins, a long-serving White House official, as acting domestic policy adviser. Ms. Rollins previously worked in the White House Office of Innovation.
* The Federal Motor Carrier Safety Administration (FMCSA) published its [final rule](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.fmcsa.dot.gov%2fsites%2ffmcsa.dot.gov%2ffiles%2f2020-05%2fHOS%2520Master%2520050120%2520clean.pdf&c=E,1,XH0LpyNGViEaReCloOA9RkmZJkuZoc0AIjaqHUhvb-dRixIjcVlr7H21nSLXTDRascO0p_U30-T9Q6jkC4pm82Aiq-Qp-oT5NzA4tVJzVYpU9KjjKAmo&typo=1) on changes to hours-of-service regulations in a move intended to increase flexibility for truck drivers. The rule:
	+ Requires drivers to take a 30-minute break after 8 consecutive hours of driving rather than on-duty time;
	+ allows drivers to take that break while on duty, but not driving;
	+ extends an exception for drivers in adverse conditions, widening the window by two hours;
	+ allows drivers with sleeper berths more options for how to spend their off-duty time; and
	+ lengthens the amount of time short-haul drivers can be on duty.

**Other News**

* The [Bipartisan Policy Institute](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fbipartisanpolicy.org%2fblog%2fcovid-19-may-deplete-social-security-trust-funds-this-decade%2f&c=E,1,VaFbMzkZr1WK8kis9wX-q5j6x_HTj4WRaLDSN2DLmTFl3kTyBspBxq3bwAeZPWLQ-je9Pg4fbzo4tRTkaeOa2NvMJ0xSmz3DbRn_IROu_k6icBtTO9wAYQ,,&typo=1) estimates that the COVID-19 pandemic will significantly move up the insolvency of Social Security to 2029. The last official government estimate had Social Security becoming insolvent by 2035 but given rising unemployment, significantly fewer Americans are paying into Social Security potentially leading to quicker insolvency.
* Mexico is slated to allow auto plants to resume production this Monday, May 18th, only one day after suggesting that plants would not be allowed to restart production until June 1st.
	+ US and Mexican automakers had been frustrated by the Mexican decree that declared auto plants non-essential and grew more frustrated when plants were not allowed to restart production until June 1st, weeks after American auto plants are due to reopen, which would have caused massive supply chain disruptions.
* The World Trade Organization (WTO) is working to shorten the selection process for the next Director General into the three and a half months before the current Director General Roberto Azevêdo leaves the position. Traditionally, the selection process for a new head of the WTO lasts nine months.
* The U.S. Chamber of Commerce made clear their opposition to government mandates to repatriate manufacturing of products, especially medical goods, but would support incentives to do so.
* In addition to the congressional proposals on taxation to alleviate the burden on businesses and individuals amid the COVID-19 pandemic, a lower-profile push, which has garnered support from advocates including the National Association of Manufacturers, would allow businesses to improve their capital positions to claim tax credits well in advance of their normal schedule.
	+ The proposal would let companies adjust claims for whatever general business credits they typically use — either over 20 years going forward or one year back.
	+ Business sector supporters are pitching Congress on making all the general business credits refundable for 2019 or 2020 so companies can get additional capital to use now.
* The Information Technology Industry Council, a technology trade group that includes Facebook, Amazon, and Google, this week sent a letter to Vice President Mike Pence asking the federal government to provide a road map for companies reopening their workplaces and how employers can support contact tracing. The full letter can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.itic.org%2fpolicy%2fWorkplaceReopeningGuidanceRequestv8.pdf&c=E,1,rLBNA91V2XePGUOjFLE-tk_TXmxWBXYwFTcVTapSq9EJE16ZEjivot9Si18PfQp1j5l0A1p4NiFk4lpWsUcUS2ebcNV9K7M-ujplCQfHQn9Q8xK9OsK2BLuy5w,,&typo=1).
* The Connected Commerce Council, which represents small businesses across the country, is sending letters to Governors and state attorneys general, as well as to state and federal policymakers, to reduce their pressure on major tech companies, like Facebook and Google, who support small businesses through their platforms. The group particularly noted ongoing anti-trust investigations.
* April retail sales dropped 16.4% surpassing the previous record drop set in March 2020. This further decline in consumer spending is another indicator of the negative impact the COVID-19 pandemic on the U.S. economy.
* Boeing has launched a new “Confident Travel Initiative” to establish industry-wide safety recommendations around travel during the pandemic, including cleaning procedures and air filtration. The group, which is being led by Boeing executive Mike Delaney, will also focus on new technologies like ultraviolet light disinfecting systems and antimicrobial coatings for high-touch surfaces.
* [Reports](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.aviationtoday.com%2f2020%2f05%2f14%2ffaa-targets-2021-launch-first-public-drone-remote-id-service%2f&c=E,1,hNMouzo3s6Y2xzZBt8odp2OPPua1U3_kBVSgRbmdXp5XR0iFGVspJzfGe0EuKs6Da7DbbX5hOnNjyZ3TKV25JfmL5db_tH1VpEpKaJc5AyraffgbimLxJnDNWwQ,&typo=1)from Avionics International, citing FAA documents, indicate that the FAA is planning to have remote ID service for unmanned aircraft systems (UAS) up and running by sometime next year.
	+ The FAA has called upon eight companies, namely Airbus, AirMap, Amazon, Intel, OneSky, Skyward, T-Mobile and Wing, to work with the FAA on implementation of remote ID and a major goal of the group is to have remote ID service in place from at least on UAS service supplier by 2021.
* Cruise, General Motors’ self-driving unit, has laid off 8 percent of its staff due to the pandemic. The self-driving car startup that is a majority-owned subsidiary of General Motors, is laying off 150 employees in total.