May 19, 2020

TO: USTOA Members  
FR: Terry Dale  
  
Below is our COVID-19 Update for May 19, 2020:

**Congress**

* Senate Republicans continue to hold off on any consideration of the House-passed HEROES Act or an equivalent next phase COVID package. Timing of Senate movement on such a package remains unclear. We believe that the impetus for movement will be informed by some combination of an agreement on liability protections, the need for Paycheck Protection Program funding, increasing unemployment, and/or economic conditions.
* Liability protection remains a front-line issue for Republicans. Sen. John Cornyn (R-TX) is developing liability protection legislation in coordination with others and Elevate understands that it may be released as soon as this week.
* Speaker Pelosi (D-CA) continues to indicate that she has not ruled out liability protections as part of any deal.
* Currently, we believe the earliest a package would come together would be by late June, but that timing could slip to later with the August recess serving as a backstop to facilitate passage.
* The Democratic Policy and Communications Committee, led by Sen. Debbie Stabenow (D-MI), released reports about the effects of COVID-19 on mental health, rural America and racial disparities. The Democrats will likely raise the issue on the Senate Floor every day, to raise awareness that the HEROES Act should be considered.
* Senator Chuck Grassley (R-IA) sent President Donald Trump a [letter](https://www.grassley.senate.gov/sites/default/files/2020-05-18%20CEG%20to%20POTUS%20%28State%20IG%29.pdf" \t "_blank) on Monday renewing his call for an explanation into the firing of the State Department Inspector General. In his letter, Sen. Grassley warned about utilizing political appointees as Inspectors General.
* Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell testified before the Senate Banking Committee on the Treasury’s quarterly report on the CARES Act. Our coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/senate-banking-committee-quarterly-hearing-on-the-cares-act-5-19-20.pdf).
  + The hearing focused on reviewing the effectiveness of CARES Act programs, the upcoming roll out of the Main Street Lending Program, and ways in which the Federal Reserve, Congress and the Administration can support state and federal governments.
  + Federal Reserve Chairman Jerome Powell indicated that the Main Street Lending Program and the Municipal Lending Facility would both launch by the end of May. As a reminder, the [Main Street Lending Program](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalreserve.gov%2fmonetarypolicy%2fmainstreetlending.htm&c=E,1,9jsk6ba3ssifKlbVwHWadCHfGSPECIMsdT_JmLwAeQnkPPAi_G3AYgjJA_Pt1Fe85KvepZkBHa0OcuKrCF-mk3qhnCCLEqpffL_1tiJ5Tvn0BaGKJiN22gN5&typo=1" \t "_blank) is designed to provide liquidity for businesses with up to either 15,000 employees or revenue below $5B.
* The House Energy and Commerce Communications and Technology Subcommittee held a virtual forum today on consumer protection, broadband, and spectrum issues during COVID-19. Federal Communications Commission (FCC) Chairman Ajit Pai testified. At a high level, the forum covered E-Rate, Telehealth, and the approval of Ligado’s mobile network application.
  + Democrats focused slightly more on the deficits the pandemic had exposed, while Republicans focused more on what the FCC was doing to improve the current state of broadband. Both sides praised FCC Chairman Pai's Keep Americans Connected pledge and the 750-plus Internet Service Providers (ISPs) who had signed on to it and supported the extended version.
  + Chairman Pai indicated that the FCC has received more than 2,000 complaints related to the COVID-19 pandemic, including 500 about ISPs not keeping their pledge to increase free offerings and maintain service for people who can't pay their internet bills.
* Senator Lindsey Graham (R-SC), Chairman of the Senate Judiciary Committee, is likely to seek Republican Committee support to authorize blanket permission to subpoena dozens of Obama and Trump Administration officials connected to the investigation of Russian interference in the 2016 election. The authority to issue subpoenas will be opposed by Committee Democrats.
* Sen. Patty Murray (D-WA), Ranking Member on the Senate Health Education Labor and Pensions (HELP) Committee, and Rep. Frank Pallone (D-NJ), Chair of the House Energy and Commerce Committee, expressed frustration with the Trump Administration after a required CARES Act report on the virus failed to provide any significant data on testing and demographics.
* A group of House Democratic lawmakers are currently pushing to cut the defense budget during the pandemic. They are arguing that additional money going toward the Pentagon’s budget for military hardware would be better spent fighting the COVID-19 pandemic. The group insisted in a letter to House Armed Services Committee leadership that the National Defense Authorization Act (NDAA) should outline a budget that is below last year’s authorized level. The full letter, led by Reps. Mark Pocan (D-WI) and Barbara Lee (D-CA) and signed by 29 lawmakers in total, can be found [here](https://pocan.house.gov/sites/pocan.house.gov/files/documents/Pocan-Lee%20Defense%20Spending%20Reduction%20Joint%20Sign-on%20Letter%205-19-20.pdf" \t "_blank).
* Senate Appropriations Chairman Sen. Richard Shelby (R-AL) will meet with President Trump on Wednesday to discuss the 2021 fiscal year spending process. Sen. Shelby’s spokesperson indicated that rising costs for veterans will be a top priority.
  + The Chairman wants the Committee to begin mark-ups by the third week of June.
* The Congressional Budget Office (CBO) released updated economic projections for 2020 and 2021. At a high-level CBO estimates an 11% decrease in real gross domestic product in the second quarter of this year, which would represent a 38% annual decline, and an 8.6% unemployment rate by the end of 2021. The full report can be accessed [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.cbo.gov%2fpublication%2f56351&c=E,1,c90cCaPBVsOV4-cwiXS3W9g1U_bJPd8OD8Is3E41R0ScQY4etCvFnK4IH3WO9H-1kyVKGEV9vvT0GX-BBMosuhjn9lDqpQZT8iFA_1S62l7r&typo=1" \t "_blank).
* House Transportation and Infrastructure Chairman Peter DeFazio (D-OR) and House Oversight Committee Chairwoman Carolyn Maloney (D-NY) sent a [letter](https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2020-05-19.CBM%20DeFazio%20GEC%20to%20Chao-DOT%20re%20Removal%20of%20Acting%20DOT%20IG.pdf" \t "_blank) to Transportation Secretary Elaine Chao and a [letter](https://oversight.house.gov/sites/democrats.oversight.house.gov/files/2020-05-19.CBM%20DeFazio%20GEC%20to%20Elliott-DOT%20re%20Removal%20of%20Acting%20DOT%20IG.pdf" \t "_blank) to the newly appointed acting Inspector General Howard Elliot demanding that Mitchell Behm be reinstated as Department of Transportation acting Inspector General.
  + As a reminder, the Trump Administration over the weekend removed Behm, replacing him with Elliot, the current Administrator of the Pipeline and Hazardous Materials Safety Administration (PHMSA). Behm had been serving in the role since Calvin Scovel retired in January.

**Administration**

* President Trump signed an Executive Order (EO) this afternoon tasking agencies with making additional regulatory rollbacks, an action that he claimed would spur growth as the country's economy reels from the pandemic. The full EO can be found [here](https://www.whitehouse.gov/presidential-actions/executive-order-regulatory-relief-support-economic-recovery/" \t "_blank).
  + Reports indicate that the EO directs executive branch agencies to look at more than 600 regulatory actions, most of which are deregulations, but some of which are also regulations and guidance, taken during the pandemic and relay to the White House which ones should be made permanent.
* Canada and the U.S. have agreed to extend the current cross border travel limitations for another 30 days, Prime Minister Justin Trudeau announced today. Currently, a limited list of workers and others with "essential" reasons to cross into either country may do so. The limits were set to expire on Wednesday. More information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fhelp.cbp.gov%2fs%2farticle%2fArticle-1596%3flanguage%3den_US&c=E,1,UZqmOWPuTMoip4kOf9zwiSL-RvpG7QxOjoCpD2St1m6Xso8rjJg9_mWuhGWrSekWlpHU9-EMMmzEAO2zyXuwefJSnLEbj5GAjKbLa5IduW6-s6kLU37Fq7uD_vgwMg,,&typo=1" \t "_blank).
* On Friday, a Request for Information (RFI) was released asking for input from external stakeholders on the Department of Health and Human Services’ (HHS) proposed strategy and structure for the Strategic National Stockpile. HHS is interested in the role of public-private partnerships and making sure the nation has the right items for the stockpile.
* The Centers for Disease Control and Prevention (CDC) has updated its [Contact Tracing Protocol](https://www.cdc.gov/coronavirus/2019-ncov/php/contact-tracing/define-contact-tracing-protocol.html" \t "_blank) and [Contact Tracing Training](https://www.cdc.gov/coronavirus/2019-ncov/php/contact-tracing/index.html" \t "_blank). The sample training plan includes training topics that may be helpful for state and local public health jurisdictions when designing training plans for COVID-19 contact tracers and case investigators.
* The U.S. and U.K. trade discussions have increased at an accelerated pace. Both countries have identified places of national needs and ambition. Additionally, they have identified the need for trade on services, investment, and digital trade.
  + The U.K. Trade Representative, Liz Truss, has received mixed reviews from the media in the U.K. and opposing parties, due to her inexperience and the contentious period England is in.
  + Additionally, the U.K. [has published information](https://www.gov.uk/government/publications/our-approach-to-the-future-relationship-with-the-eu?utm_source=987e7f2a-ddf3-41ef-bb3c-d06b80493019&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate" \t "_blank) about their future trade plans with the European Union.
* HHS Secretary Alex Azar accused the World Health Organization (WHO) on Monday of failing at its “core mission.” He also said that one-member country did not meet its transparency obligations, likely referring to China.
  + Separately, 42 nations, including Australia, the U.K. and all European Union countries offered a resolution to launch a review into the origins of COVID-19.
* As we reported yesterday, President Donald Trump threatened that the freeze of funding to the World Health Organization (WHO) could be permanent and voiced that threat in a letter to WHO Director General Tedros Adhanom Ghebreyesus.
  + Trump is claiming that the WHO is ignoring credible information about the beginnings of the virus and that they are acting in an obsequious manner to China and President Xi Jinping.
* The President yesterday affirmed that he is taking hydroxychloroquine. The President’s doctor released a letter stating that the two discussed the risk of the medication, but the letter does not explicitly mention that he prescribed it or that the President is taking it. The full letter can be found [here](https://www.cnn.com/2020/05/18/politics/trump-physician-on-hydroxychloroquine/index.html" \t "_blank).
* The Environmental Protection Agency (EPA) issued a proposed rule to set procedures and requirements for guidance documents. The rule comes in response to an October [Executive Order](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2019%2f10%2f15%2f2019-22623%2fpromoting-the-rule-of-law-through-improved-agency-guidance-documents&c=E,1,xmDzPdBK9A25D5QWZhsaHqgmth9QpxaAZBQQA_ZH3ViyO-exettd2-OR5BqLgWvN7Ub-x93nCVnUFUAuHMnNPaLycS-22_WSTTa-G6MluXwG1Kg9EoL44qKoLQ,,&typo=1" \t "_blank) by President Trump to curb complaints from the energy industry that guidance from the EPA was being used as de facto regulations. The proposed rule can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-05-19-epa-proposed-rule-procedures-for-guidance-documents.pdf).
* The Administration [announced](https://www.nytimes.com/2020/05/18/us/politics/trump-coronavirus-drug-manufacturing.html" \t "_blank) a partnership with Phlow Corporation today to create generic drugs for COVID-19. The Administration awarded Phlow a $354M contract over 4 years with the possibility of extension for a total of $812M over 10 years.
* The Food and Drug Administration (FDA) today granted [emergency use authorization](https://www.fda.gov/media/138144/download" \t "_blank) to Everlywell Inc’s COVID-19 at-home testing kit. This is the first at-home testing kit to be authorized, but HHS has said that they may authorize more at-home testing kits in the future.
  + This is another step to increase testing capacity in the United States, as now people can collect nasal samples from home.
* The Federal Aviation Administration (FAA) postponed today’s virtual meeting for the Commercial Space Transportation Advisory Committee. We anticipate it to be rescheduled soon.
* The National Air Transportation Association asked the FAA for an extension through September on the current exemptions in place for training ground personnel and crew members. The full petition request can be found [here](https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-10664.pdf?utm_campaign=pi+subscription+mailing+list&utm_source=federalregister.gov&utm_medium=email" \t "_blank).
* The Centers for Medicare and Medicaid on Monday [released](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.cms.gov%2ffiles%2fdocument%2fnursing-home-reopening-recommendations-state-and-local-officials.pdf&c=E,1,AA1RU_MSzU9znZcaFD04jcFxDuEWQNpZuPMU-hck6ZXA3_IZRPf5FgyVfz6WisACk7rbrrvLmLB2C5lRX-9eSi-RqbUArEw31YqjI463qWz8y_oSbGDwE5GjvVeE&typo=1" \t "_blank) strict new guidelines on reopening shuttered nursing homes. However, the three-step nonbinding restrictions are putting a burden on nursing homes, as many are unable to comply with the restrictions.
* The FAA is expected to issue a rule to require a safety management system for aviation manufacturers. The rule is scheduled to come out by the end of 2021. This was a core recommendation made by the special committee charged with examining the two Boeing 737 Max crashes.
* Federal Register Notices
  + The FDA announced final guidance for their recommendations regarding phase 2 or phase 3 trials for drugs or biological products under development for the treatment or prevention of COVID-19. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10635%2fcovid-19-developing-drugs-and-biological-products-for-treatment-or-prevention-guidance-for-industry&c=E,1,ChUTvMwEs1E9o5yaRs7bn9SlMC2t9dezQ0bb7DoRHWk9Vadwshk7IASNa6mMXQIjynJo2NvU-ZW4ozca6MUlxfz95cBPr3eJEJ0aBuOXBOqjNxHDaESJ24We&typo=1" \t "_blank).
  + The Commerce Department is seeking applications for membership on the United States Travel and Tourism Advisory Board. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10718%2fus-travel-and-tourism-advisory-board-opportunity-to-apply-for-membership&c=E,1,aoRmGHr-MKFUltZNKCFTyCOcYrjB4RhlgI91jQNFFGq6eGlulTVrtOu0o6PNgm-3dG8SgNQqT2g3slzECm26p_p2zdBLoVaue3Z52p6QusbYptPS84A,&typo=1" \t "_blank).
  + The Maritime Administration (MARAD) announced a public meeting of the U.S. Maritime Transportation System National Advisory Committee (MTSNAC) to discuss advice and recommendations for the U.S. Department of Transportation on issues related to the marine transportation system. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10705%2fus-maritime-transportation-system-national-advisory-committee-notice-of-public-meeting&c=E,1,9_CbebFbfEOENy_xVmfA1KPNiCL3DeC8aCE9fSkLWMnVTqo1Mp-Gt0SLvTC5VomRtrJzzuwdNMQgbVmQ5oGBe8zEnpGGUUPaWM-3ctAl1sNcQw,,&typo=1" \t "_blank).
  + The President granted authority to the to the Chief Executive Officer of the United States International Development Finance Corporation to invoke the Defense Production Act for the domestic production of strategic resources needed to respond to the COVID-19 outbreak, or to strengthen any relevant domestic supply chains. The notice can be found here.
  + The Small Business Administration (SBA) published an interim final rule that allows for loan amounts to partnerships and seasonal employers. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10674%2fbusiness-loan-program-temporary-changes-paycheck-protection-program-eligibility-of-certain-electric&c=E,1,L_VgcbkR_itR-8pndUA9Q4HnAR95kxogEryD2Mpn3-IgPhChBHyFsCEe23nNCCQ5-__pTz1rAmNgqNHtKjF-O3ysskkilSonOH4jTkTvRg,,&typo=1" \t "_blank).
  + The SBA has extended the date by which certain Paycheck Protection Program borrowers may repay their loans from May 7, 2020 to May 14, 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10649%2fbusiness-loan-program-temporary-changes-paycheck-protection-program-requirements-extension-of&c=E,1,Rm6tgfmo7izzllHR8mOnPTp-xPDwhrN1bqYEyyfxSm7YhtK0Qm0PQXEbMB-e_0X3JTEQ3pYl92Op8s9KQ0rttZL58QhWjpq0T9hrDXAdD6GySLOh15E-&typo=1" \t "_blank).
  + As we reported last Thursday, the SBA officially 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://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f19%2f2020-10674%2fbusiness-loan-program-temporary-changes-paycheck-protection-program-eligibility-of-certain-electric&c=E,1,Mf4Y5b9jTZsivtOTOWwU9ybxTtT1kd3NU80gkpvQDtNzNLSHLFN2AyopbQg_ZWAnf-kw2HB1thVVcV9z3j9IR6gVHLasc-aVzjX2-c_D9idEHTux&typo=1" \t "_blank).

**Other News**

* The transit industry continues to grapple with the reopening of more businesses and the subsequent increase in work commuting, which will make social distancing on buses and trains nearly impossible. Transit providers are bracing for riders to turn to other options instead.
  + In an April [survey](https://newsroom.ibm.com/2020-05-01-IBM-Study-COVID-19-Is-Significantly-Altering-U-S-Consumer-Behavior-and-Plans-Post-Crisis" \t "_blank) of more than 25,000 adults, IBM’s Institute for Business Value found that more than 20% of regular transit riders would now no longer use transit and an additional 28% responded that they would take transit less frequently.
  + Overall, transit ridership has decreased 90% during the pandemic and transit agencies, which rely largely on farebox revenues to sustain operations, have requested assistance from the government to help bridge the gap until riders return. The HEROES Act contained $16B in additional relief for transit agencies.
  + Some transit agencies have begun tailoring their service more to essential workers, who do not work regular 9-5 schedules. Others are returning to full service with heavy sanitation, attempts at social distancing and recommendations, if not requirements, for facial coverings, as parts of the country reopen.
* The App Association today hosted a fireside chat and panel discussion on "The COVID-19 Pandemic, the Digital Divide, and Solutions to Address Both." The event featured Federal Communications Commission (FCC) Commissioners Mike O’Rielly and Jessica Rosenworcel for the fireside chat portion and Mignon Clyburn, Former FCC Acting Chairwoman, Elizabeth Henry, Director of Administration and Health Policy Advisor for Senator Cindy Hyde-Smith (R-MS), and Dr. Nicol Turner Lee, Fellow, Center for Technology Innovation at Brookings Institution for the panel discussion. Our full coverage of the event can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/05-19-20-the-app-association-panel-on-the-covid-19-pandemic-the-digital-divide-and-solutions-to-address-both.pdf).
  + Issues discussed during the fireside chat with the FCC Commissioners included the digital divide, how Congress can promote TV white spaces and get more people online, the future of telemedicine, the importance of accessibility within technology and the importance of expanding broadband.
  + Issues discussed during the panel include the expansion of narrowband in remote locations, the advantages of telemedicine, advances in agribusiness and education through broadband, expansion of broadband mapping and action steps for Congressional action.
* A new study, published by Nature Climate Change, found that daily global carbon dioxide emissions fell as much as 17% in April compared to the same time last year due to the pandemic closing economies around the world. The study also found that annual global CO2 emissions would fall 4% for the year if social distancing efforts end in mid-June, or 7% if those restrictions remained in effect through the end of this calendar year. The full study can be found [here](https://www.nature.com/articles/s41558-020-0797-x" \t "_blank).
  + Scientists have acknowledged that the reason for the reduction in emissions due to the economic downturn is largely not sustainable.
* In the absence of Federal guidance, states are implementing their own guidelines for flying. As an example, the Hawaii legislature authorized $36M for thermal/temperature screening systems in their airports.
* The Aircraft Owners and Pilots Association released guides to help pilots start flying safely again as many begin to return to work as COVID-19 restrictions loosen. One is a [flight operations guide](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.aopa.org%2f-%2fmedia%2fFiles%2fAOPA%2fHome%2fNews%2fcoronavirus-resources%2fCOVID-19-Flight-Operations-v4-051220.pdf&c=E,1,qarqhHQvoN-LKb7Mlwt-EebwiP8dK1AelAlEyJ-7QIeuK64VUY1QCmu5lNyA7uLrhDe341OYYsnlDtn0hKYbOl08Ry9ONi_c_TdhdeWVnIhGaNZSVxnOepFtZuXo6Q,,&typo=1" \t "_blank) which offers details on reopening flight schools and training programs safely, and the other is a [proficiency plan](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.aopa.org%2f-%2fmedia%2fFiles%2fAOPA%2fHome%2fNews%2fcoronavirus-resources%2f2020_Return-to-Flight-v4.pdf&c=E,1,EeKml0zVhYjzyCaV4_riQ3OdMrPC6lSN0FC6a2z3GZcyVAzIQ2_sqEnEkvXrVAiEOpeSwdBXsHxjgxLEl-ZamuOa32KEstHn-DzjfFsfJg,,&typo=1" \t "_blank) aimed at helping pilots who took time off due to COVID-19 and are planning on returning to work.
* Over 40,000 members of the National Guard, many who have been the backbone of the COVID-19 relief efforts, will see their deployments end on June 24, one day short of many earning eligibility for early retirement and education benefits.
  + Members are required to serve 90 days for these benefits under the post-9/11 GI Bill, and the deployment is set to end on day 89.
* As we have been reporting, automakers are reopening across the country, but are already facing significant challenges related to socially distant workplaces and a heavy reliance on supply chain partners in Mexico and Canada. Production of autos, including trucks, fell more than 70% in April according to the Federal Reserve. The next few months will dictate whether the industry will seek federal relief. Automakers continue to plan for additional issues in July when the U.S.-Mexico-Canada Agreement (USMCA) goes into effect.
  + Reports indicate that Ford workers will be wearing watches that vibrate when they get too close to each other and that plants will be equipped with cameras that give real time temperature readings.
* The Small Business and Entrepreneurship Council has joined the general aviation industry in asking Congress to suspend aviation fuel taxes paid by non-commercial operators. The group wrote a letter to Congressional leadership on the issue, citing that “this temporary suspension of taxes is similar to what the commercial airlines received and will assist thousands of small businesses, farms, and communities that depend on general aviation.”
* The urban centers of Miami-Dade and Broward Counties in Florida have started to reopen. Gyms are opening back up and restaurants are allowed to double capacity to 50% across nearly all of Florida now. Governor Ron DeSantis is also pushing that theme parks reopen, and professional sports leagues set up shop.
* Huawei CEO Guo Ping said on Monday that the Commerce Department’s recent move to tighten loopholes is “arbitrary and pernicious.”
  + CEO Ping also stated he believes that the U.S.’s campaign against Huawei is counterproductive.