May 20, 2020

TO: USTOA Members
FR: Terry Dale

Below is our COVID-19 Update for May 20, 2020:

**Congress**

**House Activities**

* The House returns May 27 and plans to vote on H.R. 6886, bipartisan legislation that would increase flexibility for the use of Paycheck Protection Program (PPP) loans. The legislation was originally introduced by Reps. Chip Roy (R-TX) and Dean Phillips (D-MN). The legislation would:
	+ Give businesses 24 weeks to spend the loan proceeds instead of eight; and
	+ Eliminate the Treasury Department requirement to spend at least 75% of the loan on payroll to be eligible for loan forgiveness.
* Speaker Pelosi formally triggered the rule change passed by the House last Friday that allows for proxy voting and remote committee proceedings in the House.
	+ The first time the new rules could be used is next week when the House returns to vote on several other matters beyond H.R. 6886 including the Foreign Intelligence Surveillance Act (FISA) that the Senate amended and passed last week.
	+ The use of the proxy voting could bring a legal challenge from House Republicans, who argue that the new rules violate the constitutional requirement that Members be physically present to vote.
* National Air Carrier Association (NACA) President George Novak wrote to House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) opposing the imposition of “arbitrary aircraft capacity restrictions.” Novak said that without financial assistance and with increased restrictions, airlines would be forced to raise their prices and the restrictions could force airlines into bankruptcies. The full letter is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/naca-response-to-defazio-letter-on-flight-distancing-5-20-20.pdf) to this evening’s update.
* Rep. Seth Moulton (D-MA) released a [white paper](https://moulton.house.gov/press-releases/moulton-rolls-out-national-high-speed-rail-plan%22%20%5Ct%20%22_blank) today calling for a plan to build a $205B national high-speed rail network. Moulton indicated that this would give Americans more transportation options and provide economic stimulus. The plan is in line with Democratic presidential nominee Joe Biden’s broader proposal for a national rail system.
* In a [letter](https://debbiedingell.house.gov/uploadedfiles/200520_restoration_and_resilience_jobs.pdf%22%20%5Ct%20%22_blank) to House Democratic Leadership, 80 House Democrats led by Reps. Debbie Dingell (D-MI), Raul Grijalva (D-AZ), and Jared Huffman (D-CA), requested that leadership include their $125B proposal for a "21st Century Civilian Conservation Corps" that would restore the nation's public lands and waters in the Chamber's next economic recovery package.
* House Energy and Commerce Committee Ranking Member Greg Walden (R-OR) commented today that Congress missed its chance to move forward on privacy legislation, criticizing Democrats for not making it more of a priority.
	+ He said that he and Sen. Roger Wicker (R-MS) have been planning to introduce legislation since January 2019 and blamed California Democrats for not wanting to overturn California privacy laws.
* House Foreign Affairs Committee Ranking Member Michael McCaul (R-TX) designated technology as one of the new pillars of his new China task force.
	+ Rep. McCaul said that technology is an industry where “U.S. leadership and Democratic values counteract Chinese Communist Party (CCP) malfeasance globally.”
	+ Reps. Adam Kinzinger (R-IL), Chris Stewart (R-UT), Elise Stefanik (R-NY), Mike Gallagher (R-WI), John Joyce (R-PA) and Denver Riggleman (R-VA) are also on the task force.
* The House Energy and Commerce Communications and Technology Subcommittee held a virtual forum yesterday on consumer protection, broadband, and spectrum issues during COVID-19. Federal Communications Commission (FCC) Chairman Ajit Pai testified. As Elevate shared, Democrats focused on the deficits the pandemic has exposed, while Republicans focused 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. Our coverage is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-05-20-house-energy-and-commerce-teleconference-with-chairman-pai.pdf).

**Senate Activities**

* Senator Cory Gardner (R-CO) threatened Wednesday to block the Senate from leaving for the Memorial Day recess citing the need to pass COVID-19 legislation. His objection could force a roll call vote delaying the Senate's departure.
* The Senate voted by Unanimous Consent today to advance [S.945, the Holding Foreign Companies Accountable Act](https://www.congress.gov/bill/116th-congress/senate-bill/945%22%20%5Ct%20%22_blank), which expels Chinese companies from U.S. stock exchanges if they continue to deny inspectors access to their audits. The bill now heads to the House.
* The Senate Commerce Committee held a wide-ranging markup today. Our full coverage can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/senate-commerce-markup-5-20-20-final.pdf) and a press release on the markup can be found [here](https://www.commerce.senate.gov/2020/5/committee-approves-eight-bills-seven-nominations%22%20%5Ct%20%22_blank).
	+ Notably, S. 3730, the Registered Traveler Act, was not considered. The Committee removed the bill to expand the Registered Traveler program from its markup agenda because of concerns raised by TSA Administrator David Pekoske. His letter to Chairman Wicker can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/5-18-20-pekoske-letter-on-registered-traveler-act.pdf).
* Minority Leader Chuck Schumer (D-NY) and Senators, Jack Reed (D-RI) and Patrick Leahy (D-VT) are calling on the Administration to cease negotiations with the Taiwanese Semiconductor Manufacturing Company (TSMC) to build a factory in the United States. In a [letter](https://www.leahy.senate.gov/imo/media/doc/05.19.20%20-%20Microelectronics%20Letter.pdf%22%20%5Ct%20%22_blank) to Commerce Secretary Ross and Defense Secretary Esper, they raised questions about national security and how this would help the semiconductor supply chain. TSMC is currently planning on building a $12B factory in Arizona.
* The Senate Homeland Security and Governmental Affairs Committee today voted along party lines to authorize Chairman Ron Johnson (R-WI) to subpoena Blue Star Strategies. Blue Star Strategies is the Democratic public-relations firm that allegedly consulted on behalf of Ukrainian energy company Burisma where Hunter Biden was a member of the board.
	+ Chairman Johnson’s probe is focused on allegations that Blue Star Strategies sought to leverage Biden’s position to influence the State Department during the Obama Administration.

**Administration**

* Department of Homeland Security Secretary Chad Wolf announced the extension of border restrictions between the U.S. and Mexico until June 22nd. As a reminder, the restrictions allow trade but restrict non-essential travel. Further, the U.S. and Canada will extend their border closing until June 21st.
* President Trump is expected to visit a Ford Plant in Michigan tomorrow. At this location, workers are producing ventilators to help respond to the spread of COVID-19. Ford is working with GE Healthcare to help the Trump Administration produce 100,000 ventilators by July 4.
* The Centers for Disease Control and Prevention on Sunday (CDC) published [updated reopening guidance](https://www.cdc.gov/coronavirus/2019-ncov/downloads/php/CDC-Activities-Initiatives-for-COVID-19-Response.pdf%22%20%5Ct%20%22_blank) after the White House rejected the initial version. The new guidelines include specific guidance for reopening schools, businesses, restaurants and public transit.
	+ It includes more detailed advice for mass transit that suggests encouraging social distancing by adding floor decals or colored tape to ensure people remain six feet apart.
* During yesterday’s Senate Banking Committee hearing, Treasury Secretary Steven Mnuchin commented that he believes United Airlines is compliant with the CARES Act after the airline received heavy criticism for its plan to cut employee hours.
	+ United has since announced that the plan would focus on voluntary hour reductions.
* On Tuesday, the Federal Aviation Administration (FAA) released a report saying they will require aircraft manufacturers to have “safety management systems” in place but did not include the suggestion that overseas pilot training and oversight should be built into the U.S. aircraft certification process. The report can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-05-20-faa-special-committee-report.pdf).
* During a panel held by the U.S. Chamber of Commerce, leaders in the medical supply industry urged President Trump not to make big policy changes that could disrupt the medical supply chain.
	+ Panel member Anne Pritchett, Senior Vice President of Policy and Research at Pharmaceutical Research and Manufacturers of America, said that she does not believe we have the infrastructure or human capital to take on new mass manufacturing plants.
	+ Acting Homeland Security Secretary Chad Wolf acknowledged that there is no feasible way to fully domesticate the medical supply chain, but he believes that policies should be changed to stabilize the country in a crisis.
* President Trump today shared encouraging remarks on the United States-Mexico-Canada (USMCA) trade deal that will take effect on July 1st. The trade deal was put into doubt after the President advocated terminating the importation of cattle, a product that the U.S. only imports from Mexico and Canada.
	+ The announcement comes on the heels of President Trump publicly expressing his disappointment with Chinese purchases to uphold the trade deal and their COVID-19 response. The Administration maintains that no retaliation is being considered at this time.
* The Federal Reserve Bank of New York announced the first loan subscription date for the Term Asset-Backed Securities Loan Facility (TALF) as June 17th, 2020 and released an expanded set of [Frequently Asked Questions](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2flnks.gd%2fl%2feyJhbGciOiJIUzI1NiJ9.eyJidWxsZXRpbl9saW5rX2lkIjoxMDAsInVyaSI6ImJwMjpjbGljayIsImJ1bGxldGluX2lkIjoiMjAyMDA1MjAuMjE3ODY0MjEiLCJ1cmwiOiJodHRwczovL3d3dy5uZXd5b3JrZmVkLm9yZy9tYXJrZXRzL3Rlcm0tYXNzZXQtYmFja2VkLXNlY3VyaXRpZXMtbG9hbi1mYWNpbGl0eS90ZXJtLWFzc2V0LWJhY2tlZC1zZWN1cml0aWVzLWxvYW4tZmFjaWxpdHktZmFxIn0.hXRUK6CI1oBJucVGmYja-12XzXMsUzBZXf2C6q-4uYo%2fbr%2f78878884488-l&c=E,1,XSFjyNJejIBTNbP3JwX_z_KN8wOxqxvRiNbgnoGpUsN1Jf25JcU0S_B04V2-ClffuNl7zmDo9tv_xJIbMKJSSFbKPUzyBwv3y7M1CYxJdYPRc8cC&typo=1" \t "_blank) (FAQs) and other documents pertaining to the facility’s operations.
	+ The TALF was established to increase credit availability and support economic activity by facilitating renewed issuance of Asset Backed Securities, thereby increasing the availability of credit to households and businesses.
* The Internal Revenue Service (IRS) is notifying thousands of employees that they will be required to return to the office in June, after an optional return to work in April. The agency faces a July 15th tax filing date, in addition to processing and implementing stimulus payments and tax provisions from the CARES Act.
* The Export-Import Bank of the United States (EXIM) announced its Board of Directors will hold an open meeting on Thursday, May 21, 2020, at 10 a.m. More information can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fexim-announces-board-meeting-discuss-continued-implementation-reform-efforts&c=E,1,Lb0DwIs7d_mB56GeDsV_PZhv6bF3_2tkU-xMPM2c8Mp-UzD_zMpHIjMS9iKLLKoRS0UaxKmnJHw6-eEQYVGO94URG59k6syNhrsZUk8n9ozk&typo=1" \t "_blank).
	+ The bank also issued a [press release](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fnational-association-manufacturers-hosts-chairman-reed-discuss-exim-covid-19-response-efforts&c=E,1,Ur20hWp5y4D-rYqX4UstypLl8g2gMTMiFQuG4PXeqsRyjXtPTlNq-BSyX-kHAFktyHO5ellSARbqtSooRphaAKM-GzmexsOMFGuZFfckEkrSNA,,&typo=1" \t "_blank) on President and Chairman Kimberly A. Reed yesterday joining 50 diverse industry members of the National Association of Manufacturers (NAM) via teleconference to discuss EXIM’s temporary COVID-19 relief measures and Program on China and Transformational Exports.
* Smaller airports are saying that a new plan to charge more for processing international passengers, which was announced by Customs and Border Protection (CBP) without much notice, is going to add an additional burden to already struggling airports.
	+ CBP’s plan to switch from flat rate fees to recovery billing at more than 60 airports is due to payroll costs that are outpacing revenue for the agency.
	+ Multiple aviation groups, including the Aircraft Owners and Pilots Association (AOPA), the National Business Aviation Administration (NBAA), the National Air Transport Association (NATA) and the American Association of Airport Executives (AAAE) [wrote a letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fnbaa.org%2fwp-content%2fuploads%2fadvocacy%2fletters%2f20200515-Association-Letter-CBP-User-Fee-Airport-Increase.pdf&c=E,1,pAxwgiAjxYFZa3VMhk1tXGQ4a2UE7oC2fIyuxia8I7pcYlFMKKJpJpB606q2Gq_efsq7HfKFJoHYEpccs8jx27uZ9Ge9M4ScS2GP0hVxejlDwV-RopwTKdPy&typo=1" \t "_blank) to CBP Commissioner Mark Morgan saying that some airports are facing fee increases between “29 and 54 percent, effective almost immediately,” and others noted that boards or city councils must hold votes before approving the change.
* The Federal Trade Commission (FTC) and the FCC sent joint letters to three companies providing Voice over Internet Protocol (VoIP) services, warning them that routing and transmitting illegal coronavirus-related scam robocalls is illegal and may lead to federal law enforcement against them.
	+ The agencies sent letters to Intelepeer Cloud Communications, LLC of San Mateo, California; PTGi International Carrier Services, Inc. of Washington, DC; and RSCom Ltd. of Aurora, Ontario, Canada.
* The FAA issued the [Grant of Exemption](https://ustoa.com/r/ustoa-filemanager/source/resources/faa-part-121-grant-exemption.pdf) allowing Part 121 air carriers to carry cargo on seats installed on the main deck of transport category airplanes when no passengers are being transported. Operators must fulfill specific requirements to exercise the relief offered in the exemption. The exemption is valid through December 31, 2020.

**Federal Register Notices**

* The FCC proposed rules to implement section 12 of the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act (TRACED Act) to protect consumers from one-ring scams. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10347%2fprotecting-consumers-from-one-ring-scams&c=E,1,aCauEDAUNKC1N9oNhPk-BTM--UoX0mRTM8DHTr85ZyL1FLfr-38LwDDT8fHU2omTJmeUKFAXYvN7x33N11qPfQQlK0SSuuzB0-FfQi0uLNCVnJSKeqxV&typo=1" \t "_blank).
* The Federal Deposit Insurance Corporation (FDIC) is seeking comment on a proposed rule that would mitigate the deposit insurance assessment effects of participating in the Paycheck Protection Program, and the Paycheck Protection Program Lending Facility (PPPLF) and Money Market Mutual Fund Liquidity Facility (MMLF) established by the Board of Governors of the Federal Reserve System. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10454%2fassessments-mitigating-the-deposit-insurance-assessment-effect-of-participation-in-the-paycheck&c=E,1,KTzxL8uvYyyPh57o6Q6h4whSa1OecJH8Txxu8De7Vjux96E2AaV8EJbRYFJNmQFo7tCblBD7tCbuzYmeYebYTCtI69l3irObA6NrWcD1Mxf5zw,,&typo=1" \t "_blank).
* The US International Trade Commission is requesting submissions on public interest issues raised by the recommended limited exclusion order and cease and desist orders against certain unmanned aerial vehicle and component manufacturers. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10894%2fin-the-matter-of-certain-unmanned-aerial-vehicles-and-components-thereof-notice-of-request-for&c=E,1,YgZrpHQ7-NGYANX6B_bfvxMN1HE-gK3HeXPGENO1OYCgIG4ybDNRNRhJopQxE8Sdk0pFwknC4Eibdvgi35huzi85l_Om3rUCaF_p9y3HB8G4NIr-dIhX8oBT&typo=1" \t "_blank).
* The Information Security and Privacy Advisory Board (ISPAB) will meet Wednesday, June 24, 2020 from 9:00 a.m. until 5:00 p.m., Eastern Time, and Thursday, June 25, 2020 from 9:00 a.m. until 4:30 p.m., Eastern Time. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10867%2fopen-meeting-of-the-information-security-and-privacy-advisory-board&c=E,1,wUVO9ANsETUMVcO-EnF-KafMAtvEZebg58-LmM5in_5STmi95aNeckkcl2amn3zF0oSAzJ_HpXLeZk2BPaYRKfXW6ZuB_w4G-WKY-tFUU9UG8A,,&typo=1" \t "_blank).
* The National Institute of Standards and Technology (NIST) invites organizations to provide products and technical expertise to support and demonstrate security platforms for the 5G Cybersecurity: Preparing a Secure Evolution to 5G project. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10866%2fnational-cybersecurity-center-of-excellence-nccoe-5g-cybersecurity-preparing-a-secure-evolution-to&c=E,1,igqLb12nwlAVRI0cHvilZf6JmpMqI_R9WyHrzb3qIU6NrfiIv7bW_1lrAnVUWC26Gb8R1ODMAbpq_xeQivmEmDy1x1F6v6nzkfwLyFJbPyKmWqdH8qG2LLiZ2mxhhQ,,&typo=1" \t "_blank).
* President Trump issued an Executive Order establishing the Forced Labor Enforcement Task Force under the USMCA trade deal. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f20%2f2020-10993%2festablishment-of-the-forced-labor-enforcement-task-force-under-section-741-of-the-united-states-&c=E,1,rpSvdewt6y6zR1ORJEv1ywsaAy_zTpEGdYKPjg5Y9iJiBxm7BIOln-Srwi1BK7Q0R8s8ahN2dy5Sw1VGuCaUz8KolONZ0hkoF5Mcm5tXcuU,&typo=1" \t "_blank).

**Other News**

* The U.S. Chamber of Commerce Chief Policy Officer Neil Bradley said the group is continuing to push for bipartisan approval of broad liability protections for businesses, which make it harder for customers and workers who contract COVID-19 to sue businesses. The Chamber hopes to have a provision in the next COVID-19 related legislation. As a reminder, this has been a major priority for Senate Republicans, including Sen. John Cornyn (R-TX) and Majority Leader McConnell.
* Attorneys General from 32 states and 2 territories wrote a letter to congressional leaders on Tuesday to urge the passage of the SAFE Banking Act, which would provide a safe harbor for depository institutions that service a marijuana-related business in a state with robust regulatory controls that ensure accountability in the marijuana industry. The legislation was included in the HEROES Act.
* A new report from the Center on Budget and Policy Priorities predicts that States could face collective budget shortfalls of $765B over three years, an even higher deficit than their previous $650B prediction. However, federal assistance may not be coming anytime soon as reports indicate that President Trump is embracing Senate Republicans’ “wait and see” approach.
* The Small UAV Coalition, a group representing drone companies, [wrote](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fsecureservercdn.net%2f198.71.233.179%2f4z7.785.myftpupload.com%2fwp-content%2fuploads%2f2020%2f05%2fSmall-UAV-Coalition-letter-to-DOT-and-FAA-on-COVID-19-response-05.19.20.pdf&c=E,1,dJC-fl2uJcBNP9NAiYU-pi3ax9FJBvzmiYkS4OrRYqEQOD_GARbTXcyHx2k2kQeQUsVl40se2rSwQl5a0pW-gb7RwzNbuVElG2AIkG6WahuIfZDyyGDlblqRhA,,&typo=1" \t "_blank) to Transportation Secretary Elaine Chao and FAA Administrator Steve Dickson encouraging them to loosen drone restrictions to allow for drones to help with tasks to reduce human contact, like non-contact deliveries of medicine, medical supplies, and other critical goods.
* New [data](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2finjuryfacts.nsc.org%2fmotor-vehicle%2foverview%2fpreliminary-monthly-estimates%2f&c=E,1,JeOdocnNv955XVemzIiN53aRyXm3AyP3uggrVtcDABJaKq7UhZhzxEAjdXGF-JZZA_P9seSFkjT9cURjIfcSTppmic61XqY5I3zYPpMbs2_eq3WAnMdNDHmsZ81t6Q,,&typo=1" \t "_blank) released by the National Safety Council shows that while total vehicle fatalities fell by 8% amid reduced driving during the pandemic, there was a 14% increase in fatalities per mile, a critical metric showing an uptrend in reckless driving.
* Data from the World Trade Organization showed that world trade of goods has fallen to its lowest level since 2016 due to the pandemic, in line with projections that global trade would decline up to 32% this year.
* Delta CEO Ed Bastian indicated that although many airlines were able to stay afloat by taking advantage of CARES Act programs, restructuring was likely to reduce costs. This comes in response to Boeing CEO David Calhoun suggesting that a major U.S. airline would declare bankruptcy earlier this month.
* Norwegian Cruise Lines extended their trip cancellations through July 31. U.S. cruise operators, including Carnival Corp and Royal Caribbean Cruises, suspended trips in April following travel restrictions and no-sail orders, and were scheduled to set sail by the end of June or early August.
* A group of travel industry trade groups, including the American Hotel and Lodging Association (AHLA), sent a [list](http://updated_hotel_industry_letter_to_congress_covid_priorities_final_0/%22%20%5Ct%20%22_blank) of policy ideas to Congressional leaders today, which notably included a proposal for a travel tax credit. The credit would cover travel expenses and help to spark the revival of the hard-hit travel industry.
	+ Other ideas include tax credits for buying cleaning and safety equipment, as well as tax rebates or direct assistance for employees’ tuition costs for industry training and certifications. The trade groups also proposed restoring the tax deduction for entertainment business expenses, additional loan assistance and boosting the employee retention tax credit.
* Apple and Google released the common code to allow software developers to create contact tracing mobile applications for state and national governments using Bluetooth in smartphones. The Application Programming Interface (API) incorporates feedback from hundreds of conversations with public health agencies, government officials, academics, NGOs and privacy experts. Public health authorities can customize the system and combine it with data that users input voluntarily.
* The U.K. released their post-Brexit tariff plan, which includes the same tariffs on autos, lamb, beef and poultry. However, the U.K.’s overall tariff rate will fall to 6%, down from 7%.
* Facebook unveiled their biggest expansion into e-commerce yet on Tuesday, rolling out a new platform that allows for small business owners to sell on the platform.
	+ This follows the recent announcement that Facebook is buying Giphy, an animated images company, and growing its video conference offerings to rival Zoom.
	+ Mark Zuckerberg has touted these as Facebook’s attempt to help with the economic recovery needed due to COVID-19.