May 22, 2020

TO: USTOA Members
FR: Terry Dale

Below is our COVID-19 Update for May 22, 2020. We hope you have a safe and enjoyable Memorial Day Weekend.

**Congress**

* **Senate Activities**
	+ Sen. Chuck Grassley (R-IA) said negotiations on an additional coronavirus package will not begin until the third or fourth week of June.
	+ A bipartisan group of Senators including Senators Marco Rubio (R-FL), Ben Cardin (D-MD), Susan Collins (R-ME) and Jeanne Shaheen (D-NH) introduced a bill yesterday to extend the timeframe for small businesses to spend their Paycheck Protection Program (PPP) loans from 8 weeks to 16 weeks. The bill also extends the application period through December 31, 2020.
		- The Senate attempted to pass the bill last night, but it was met with objections. Leader McConnell announced that the Senate will take action on the bill upon its return from recess.
		- The House plans to vote on its version of the bill, HR. 6886, next week. It would extend the PPP timeframe to 24 weeks, a number that the restaurant industry has specifically requested.
	+ Senators Todd Young (R-IN) and Michael Bennet (D-CO) yesterday introduced the RESTART Act, which Elevate has been closely tracking. The legislation creates a new loan program to meet the needs of small and medium sized businesses. The program would provide funding to cover six months of payroll, benefits, and fixed operating expenses for businesses (including most non-profits) that have taken substantial revenue hits during the COVID-19 pandemic. A share of the loan would be forgiven based on the revenue losses suffered by the business in 2020, and the rest repaid over seven years. No interest payments are due in the first year. No principal payments are due for the first two years.
		- The bill also extends coverage of the PPP from 8 weeks to 16.
		- The bill text can be found [here](https://www.young.senate.gov/imo/media/doc/MIR20844-%20RESTART%20FINAL1.pdf%22%20%5Ct%20%22_blank), a summary can be found [here](https://www.young.senate.gov/imo/media/doc/RESTART%20Act%20-%20One%20Pager%20-%20v9%20-%20Updated.pdf%22%20%5Ct%20%22_blank), and a full press release on the bill's introduction can be found [here](https://www.young.senate.gov/newsroom/press-releases/young-bennet-introduce-restart-act-to-support-hardest-hit-small-and-mid-sized-businesses%22%20%5Ct%20%22_blank).
	+ Senators Brian Schatz (D-HI), Lisa Murkowski (R-AK), John Boozman (R-AR), Angus King (I-ME), Gary Peters (D-MI), Dan Sullivan (R-AK), Kevin Cramer (R-ND), and Ed Markey (D-MA) introduced the Health Care Broadband Expansion During COVID-19 Act. The companion House bill was [introduced](https://eshoo.house.gov/media/press-releases/reps-eshoo-and-young-introduce-bipartisan-bill-expand-telehealth-during%22%20%5Ct%20%22_blank) by Reps. Anna Eshoo (D-CA) and Don Young (R-AK). The Health Care Broadband Expansion During COVID-19 Act would:
		- Provide $2B in additional support for the Rural Health Care (RHC) Program for the coronavirus response.
		- Increase the subsidy rate for RHC Health Care Connect Fund participants during the pandemic, which they can put toward additional telehealth resources.
		- Enable mobile and non-rural health care facilities to engage in telehealth during the pandemic under the RHC Program.
		- Eliminate red-tape and streamline the program’s distribution of funding so that health care providers can quickly implement telehealth applications and treat patients faster.
		- Delay the implementation of Federal Communications Commission (FCC) rules for one year that would severely impact support for some of the program’s most rural health care providers.
	+ Sen. Mark Warner (D-VA) unveiled a new proposal which would utilize the Employee Retention Credit to deliver additional benefits over the past half of the year. The bill would establish a temporary refundable tax credit to cover the wages and benefits that would add up to $90,000 per year for laid off or furloughed workers. It could also help smaller companies with their operating costs. Strings attached to the plan would limit company eligibility and preclude companies that benefit from stock buybacks and paying dividends.
		- Sen. Josh Hawley (R-MO) has proposed a similar plan that would let employers get advances on payroll taxes.
	+ Sen. Marco Rubio (R-FL) indicated that there is growing bipartisan support for legislation to increase domestic manufacturing to reduce U.S. reliance on China. Sen. Sherrod Brown (D-OH) was optimistic about talks but signaled that there is a long road ahead before any legislation is considered and pointed to corporate tax laws as another way to help domesticate manufacturing.
	+ Sen. Tom Carper (D-DE) called for more details on the 180 Superfund sites that the Environmental Protection Agency (EPA) said had toxic PFAS chemicals. In a letter to EPA Administrator Andrew Wheeler, Carper said that the agency did not detail what specific toxic PFAS chemicals were found at each site or the amount present. The information is necessary for groundwater cleanup. The full letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/carperpfasletter.pdf).
	+ Senate Republicans are asking the Department of Justice to investigate Planned Parenthood’s use of small business relief loans. The full letter can be found [here](https://www.cotton.senate.gov/files/documents/200521%20SIGNED%20Cotton%2C%20Colleagues%20ltr%20to%20AG%20Barr%20re%20PPP%20loans.pdf%22%20%5Ct%20%22_blank).

* **House Activities**
	+ Rep. Ro Khanna (D-CA) praised the plans of Facebook to increase the amount of remote work opportunities that they are offering. Rep. Khanna, who represents Silicon Valley in Congress, has been a longtime proponent of spreading the wealth of job opportunities in the area around rural America. Rep. Khanna has called Facebook’s new plan “a game-changing proposal.”
	+ Rep. Anna Eshoo (D-CA) is recruiting cosponsors for a bill that would ban political ads on the internet based on microtargeting.
		- This may be in response to a bill introduced by Rep. David Cicilline (D-RI), which would limit political advertisers on the internet to only advertising based on age, gender, and location.
	+ Rep. Brian Higgins (D-NY) is urging the Administration and Canadian Prime Minister Justin Trudeau to allow more travelers to cross the Canada-U.S. border while restrictions remain in place for at least another month. Rep. Higgins’ letter asserts that the essential traveler definition should be expanded to include individuals who “travel safely to visit family”, cross to manage “legitimate business interests”, and to include those who are traveling to check on personal property. The full letter, sent to Acting Homeland Security Secretary Chad Wolf and to Canadian Public Safety Minister Bill Blair can be found [here](https://higgins.house.gov/sites/higgins.house.gov/files/5-22-20%20REP.%20HIGGINS%20-%20NORTHERN%20BORDER.pdf%22%20%5Ct%20%22_blank).

**Administration**

* President Trump today announced that places of worship are “essential” and that they must immediately reopen. He also indicated that he would override governors if they resist. It is not clear, given his stated reliance on State Governors to make decisions, how such an override would occur. Interim Guidelines from the Centers for Disease Control and Prevention (CDC) that were released Friday afternoon on reopening places of worship can be found [here](https://www.cdc.gov/coronavirus/2019-ncov/php/faith-based.html%22%20%5Ct%20%22_blank). The guidelines include, but are not limited to:
	+ Establish and maintain communication with local and state authorities on current mitigation levels.
	+ Provide protections for staff and congregants that are at higher risk of severe illness from COVID-19 and put in place policies that protect the privacy and confidentiality of people at higher risk for severe illness.
	+ Continue to provide congregants with spiritual and emotional care and counseling.
	+ Promote healthy hygiene practices, including having adequate supplies to support healthy hygiene behaviors.
	+ Encourage the use of cloth face coverings among staff and congregants.
	+ Intensify cleaning, disinfection, and ventilation.
	+ Promote social distancing.
	+ Take steps to minimize community sharing of worship materials and other items, including prayer rugs, prayer books, shared cups, and more.
* Dr. Deborah Birx, the White House Coronavirus Task Force Coordinator, during today’s White House Coronavirus Task Force briefing, urged Americans to continue to practice social distancing as it is still highly difficult to track who has the virus, especially in those who appear healthy. Dr. Birx shared how states must continue to closely track and ramp up testing at nursing homes, inner cities, and around essential businesses.
* The Administration has opened negotiations with Russia on an agreement to replace the New Start accord, which covers U.S. and Russian long-range nuclear arms and is set to expire next February.
* Energy Secretary Dan Brouillette stated national labs have seen slight increases in the amount of cyberattacks recently; however, he is comfortable with the safeguards that the Department of Energy (DOE) has in place. Most of these labs have been focusing their resources towards COVID-19 research.
* The Federal Energy Regulatory Commission (FERC) is developing a plan to compensate power companies and utilities that must remove equipment deemed a security risk under an Executive Order that was issued earlier this month. FERC and DOE will assess whether or not the equipment poses a threat to the bulk power grid.
* EPA Inspector General Sean O’Donnell, in a letter on Wednesday, stated he is considering reviewing the EPA’s oversight on state water enforcement. EPA began raising California water quality issues after Trump claimed that homeless populations in Los Angeles and San Francisco were responsible for pollution. The EPA issued San Francisco a notice of violation in October.
	+ California Senators Dianne Feinstein (D-CA) and Kamala Harris (D-CA) [responded](https://www.feinstein.senate.gov/public/_cache/files/4/a/4ad39f92-12c3-49b8-aad4-e944455b407e/33A2709CD220C6D6B03793E83801CA03.2020.05.21-epa-ig-response-letter.pdf%22%20%5Ct%20%22_blank) to O’Donnell by sending him a timeline of the EPA’s actions after Trump’s remarks. They claimed that the timeline shows an inconsistent handling of San Francisco compared to other cities with similar water-treatment plans.
* On Thursday, President Trump visited a Ford plant in Southeast Michigan, where he emphasized the need to revitalize American manufacturing and vowed to make America the first in the world in pharmaceutical manufacturers and drug stores. He also blamed China for COVID-19.
	+ President Trump did briefly wear a mask during the visit, something he has typically refused to do, but was not photographed with it on.
* The White House on Thursday released a [document](https://www.whitehouse.gov/wp-content/uploads/2020/05/U.S.-Strategic-Approach-to-The-Peoples-Republic-of-China-Report-5.20.20.pdf%22%20%5Ct%20%22_blank) detailing the Trump administration’s “fundamental reevaluation” of its approach to China and its recognition of long-term strategic competition between the two countries.
* The Export-Import Bank (EXIM) took unanimous action to reform two important EXIM procedures, economic impact and additionality, at their public meeting yesterday after an eleven-month review process. The Board took action to amend the economic impact procedures to better assess the potential impacts of pending transactions on relevant domestic industries. Additionally, they took action to strengthen the EXIM’s determination of additionality, which examines why a transaction cannot go through without EXIM financing and support.
	+ Additionally, EXIM extended all COVID-19 relief through August 31.
	+ The full notice from EXIM meeting can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fexim-board-adopts-key-reforms-increase-transparency-and-protect-taxpayers-while-supporting&c=E,1,ape2oqsSMPTd2TpCZ6_QeZGE5dCaupdUPvj7a2n1eFwyD_QSyyN-A9nLsRxyjgwF8qG-ceKJhuxBIBbetOMarOoZnjH9d5xEcMDJ5mQ_TA,,&typo=1" \t "_blank).
* **Federal Register Notices**
	+ The Food and Drug Administration (FDA) is requesting nominations for a nonvoting representative of the interests of the tobacco growers to serve on the Tobacco Products Scientific Advisory Committee (TPSAC), in the Center for Tobacco Products. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f22%2f2020-11065%2frequest-for-nominations-on-the-tobacco-products-scientific-advisory-committee&c=E,1,y3VNq71Bf7izsd1_4Xz-iqLJKz1mVG_EYwF26qnE0a3Q2lXMolGx7f9DaUR4aphZHedeDvkV93QIMyJ5dkkkyBSHcE6bc5Th3-OzovPPSQrwUafyw9sffg,,&typo=1" \t "_blank).
	+ President Trump signed an Executive Order to encourage agencies to rescind, modify, waive, or provide exemptions from regulations and other requirements that may inhibit economic recovery. The order can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f22%2f2020-11301%2fregulatory-relief-to-support-economic-recovery&c=E,1,77_SnIYunikrQEGZkfqD0hgymwVM9o5-Yx418KqzAx4DeOJ0GcAhuO3GKiar2VmpUcSVEvsHB9Xt8cVqds_GMGIc-XpoT3azJ8NEDbnrkbdEN6zH4Us,&typo=1" \t "_blank).
	+ The Rural Business-Cooperative Service (RBCS) announced that the USDA Rural Development was provided additional funding assistance of $20,500,000 in budget authority appropriated under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f22%2f2020-11243%2fthe-business-and-industry-coronavirus-aid-relief-and-economic-security-act-cares-act-guaranteed-loan&c=E,1,zZDpj2I_yfIGyt63Fbpl8VmHqecd4FhML-LE4AUC49IN4lvhKCuTWlj8AhY4ogGSC1njyYebt20D50-PhuDoN7GxFi8LuGyOHu59Ds4JWd-ySKRCVqvsQw,,&typo=1" \t "_blank).
	+ The Department of Homeland Security extended border restrictions at land ports of entry along the United States-Mexico border. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f22%2f2020-11154%2fnotification-of-temporary-travel-restrictions-applicable-to-land-ports-of-entry-and-ferries-service&c=E,1,B0ruVWNlFGG8Xem61HKgytt-tQvmq5uyFX02OGiutr2yGv3wvj_DHZnX9mhB18WmbJEjgLXp-r_xV3EQ2h5l5gQkEH6mq9TZ1btCNwSk_A,,&typo=1" \t "_blank).
	+ The Department of Homeland Security extended border restrictions at land ports of entry along the United States-Canada border. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f22%2f2020-11145%2fnotification-of-temporary-travel-restrictions-applicable-to-land-ports-of-entry-and-ferries-service&c=E,1,QBGjsEXjkr0sxlhem7uP--rIQ_-jpPh77k6OVsYI1pZrpyvqgfXzsbuLmtnQHkZ9LxlmZIBMdj4d1r0OP6iWu5I9Wk5uQ5iyAACR-5pN7f3SziaC&typo=1" \t "_blank).

**Other News**

* The Bureau of Labor Statistics issued a report on unemployment rates by state in the month of April. Nevada, Michigan, and Hawaii recorded the highest levels of unemployment at 28.2%, 22.7%, and 22.3% respectively. The full report can be found [here](https://www.bls.gov/news.release/laus.nr0.htm%22%20%5Ct%20%22_blank).
* Democratic Presidential Candidate and former Vice President Joe Biden will be hosted a virtual brunch with former Presidential candidate Andrew Yang today to discuss the problems COVID-19 has presented in the gig economy. Biden has been a supporter of AB5, the California bill that elevates the status of gig workers. The bill would make it harder for tech companies like Uber or Lyft to classify their workers as independent contractors.
* FedEx Vice President for Regulatory Affairs Ralph Carter indicated that any global pact about what makes an “essential” worker should also have provisions to make it easier for pilots, truck drivers and mariners to cross borders in any future pandemic.
* The American Automobile Association (AAA) will not make their famous Memorial Day travel forecast for the first time in 20 years. A survey done by the Harris Poll found that 95% of Americans are not planning on traveling this weekend.
* In a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.mema.org%2fsites%2fdefault%2ffiles%2fLetter%2520to%2520Secretary%2520Mnuchin%25205.20.20.pdf&c=E,1,N210icEGTgdVvnafkruKhLU6sVPPnxLCR2Z6kGk28KzpWDh_Zz3U9Wx7AuNgv0mxTBnSoXrYGH7e9uLQOqrcI6IYv7J3ldVz7RI7EInt5zjR&typo=1" \t "_blank) to the Trump Administration, the Motor and Equipment Manufacturers Association (MEMA) advocated for the Administration to engage with members of the Michigan Congressional delegation to specifically address the industry’s urgent liquidity issues necessary to successfully restart manufacturing.
	+ MEMA also signed [joint letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.mema.org%2fsites%2fdefault%2ffiles%2f200521_Coalition_PPPFixes_CongLeadership_Treasury_SBA.pdf&c=E,1,ydMi6tRXou-t2fcPW5AplXNnrIvlh5g4IRDjlUbK9eOPhBK6fb8S1xxh_aaVDqvH3s8NcAina9Stu3ihFovys5iR7-uH3kA-WfL5f7iQAWnY&typo=1" \t "_blank) with several other industry trade associations sent to Treasury Secretary Steven Mnuchin and Small Business Administrator Jovita Carranza requesting changes to the PPP. The letter asks that businesses be allowed to spend the funds on other expenses outside of payroll and remain eligible for forgiveness, extend the spending period by an additional 8 weeks, and extend the June 30 safe harbor date for rehiring and restoration of pay.
* Mayor Muriel Bowser of Washington D.C. [released recommendations](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fcoronavirus.dc.gov%2fsites%2fdefault%2ffiles%2fdc%2fsites%2fcoronavirus%2fpage_content%2fattachments%2f%2523ReOpen%2520DC%2520Advisory%2520Group%2520Recommendations%2520to%2520Mayor%2520Bowser.pdf&c=E,1,OYzdVZ3vr_m2I4nBJBXa7tl23ALaLXoKPIoV0Q2Vf5XkpPD3OYUaFae4LzP_TB2cl0mIqjjPHRFM3A9lVfnqCs-9xEkHpoB0tfVOiEMj8atKSSoh&typo=1" \t "_blank) for reopening Washington D.C., which stated that students should not return to full in-person learning until there is a vaccine or cure for COVID-19.
* Yesterday, several travel industry leaders met with Vice President Pence in Florida, in addition to Labor Secretary Scalia and Governor Ron DeSantis, to discuss restoring the travel and tourism industry as the country works to reopen and recover from the current pandemic. Issues discussed included a potential travel tax credit and to allow businesses to fully deduct food and entertainment expenses.
	+ Weekly travel spending rose to $3 billion last week, its highest level since the week ending April 4.
* Work on the Trans Mountain pipeline has not slowed down during the pandemic. The expansion is expected to be in service by 2022. However, opponents of the pipeline have not slowed down their protests either. Organizers of the protests have moved from in-person protests to online phone blitzes and social media campaigns.
* When Amtrak resumes its Acela service on June 1, they will also fully restore their Pennsylvanian line and restart modified service on the Keystone line. The announcement yesterday is an indication that travel demand is slowly starting to increase.