May 27, 2020

TO: USTOA Members
FR: Terry Dale

Below is our COVID-19 Update for May 27, 2020:

**Congress**

**Senate Activities**

* As we have been reporting, Senate Majority Leader Mitch McConnell has committed to taking up the Great American Outdoors Act when the Senate returns on June 1. The legislation would permanently fund the Land and Water Conversation Fund and directly address the $12B deferred maintenance backlog at parks nationwide.
* Sen. Chris Van Hollen (D-MD) and Sen. Pat Toomey (R-PA) [have introduced](https://www.vanhollen.senate.gov/news/press-releases/van-hollen-toomey-introduce-sanctions-bill-to-defend-hong-kongs-autonomy%22%20%5Ct%20%22_blank) legislation that would sanction persons or entities that materially contribute to the contravention of China’s obligations to have an autonomous and independent Hong Kong as set forth in the Joint Declaration and the Basic Law.
	+ There are widespread concerns in the international community that the law will allow the Chinese central government to set up security and surveillance in Hong Kong and eliminate the quasi-independence Hong Kong has from China.
* The Justice Department has dropped its insider trading investigations into Sen. Kelly Loeffler (R-GA), Sen. James Inhofe (R-OK) and Sen. Dianne Feinstein (D-CA).
	+ A similar investigation into Sen. Richard Burr (R-NC) is ongoing.
* In [a statement](https://www.grassley.senate.gov/news/news-releases/white-house-responds-grassley-call-details-ig-terminations%22%20%5Ct%20%22_blank) released yesterday, Sen. Chuck Grassley (R-IA) criticized the White House’s response to his letter on the recent ousting of Inspectors General in a variety of agencies. Sen. Grassley noted his concerns that the White House has failed to give adequate justifications for the firings to Congress as required by law.
* The Senate Finance Committee is set to hold a hearing this coming Tuesday on the Food and Drug Administration’s inspections of foreign drug manufacturers, which have been on hold since March due to COVID-19. More information including witnesses can be found [here](https://www.finance.senate.gov/hearings/covid-19-and-beyond-oversight-of-the-fdas-foreign-drug-manufacturing-inspection-process%22%20%5Ct%20%22_blank).
* The Senate Commerce Committee announced it will hold a hearing on “The Current State of Transportation and Critical Infrastructure” on June 3. Witnesses announced by the committee are:
	+ John Bozzella, President and Chief Executive Officer, Alliance for Automotive Innovation
	+ Randy Guillot, Chairman of the Board, American Trucking Associations
	+ Ian Jefferies, President and Chief Executive Officer, Association of American Railroads
	+ Alex Oehler, Interim President and Chief Executive Officer, Interstate Natural Gas Association of America
	+ Larry Willis, President, Transportation Trades Department, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

**House Activities**

* House Majority Leader Steny Hoyer (D-MD) indicated that an agreement between the House and Senate surrounding rule changes to the Paycheck Protection Program (PPP) is imminent.
	+ The House is set to take up [H.R. 7010](https://www.congress.gov/bill/116th-congress/house-bill/7010?q=%7B%22search%22%3A%5B%22congressId%3A116+AND+billStatus%3A%5C%22Introduced%5C%22%22%5D%7D&s=1&r=12" \t "_blank), the Paycheck Protection Program Flexibility Act, introduced by Reps. Dean Phillips (D-MN) and Chip Roy (R-TX) on Thursday. The legislation would extend the current eight-week period during which businesses must use funds to have loans forgiven to 24 weeks or Dec. 31, whichever comes sooner. Companion legislation was introduced by Sens. Angus King (I-ME), Cory Gardner (R-CO), Steve Daines (R-MT), Tim Kaine (D-VA), Thom Tillis (R-NC), and Debbie Stabenow (D-MI) on Friday.
		- The legislation would also let businesses repay loans over five years instead of two and, in its current form, remove the requirement that 75% of the loan be used on payroll.
		- Yesterday, 17 unions sent a letter, which is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/union-letter-on-paycheck-protection-program-flexibility-act.pdf), to Speaker Pelosi and Minority Leader Schumer opposing the legislation, citing that eliminating the 75% payroll requirement would allow businesses to rehire fewer workers.
			* As a result, lawmakers are expected to revise the legislation to lower the requirement to 60% rather than eliminating it completely for the whole loan to be forgiven.
		- Senators Rubio (R-FL), Cardin (D-MD), Collins (R-ME) and Shaheen (D-NH) introduced similar Senate legislation, which the Senate tried and failed to “hot line” last week. The Senate legislation would extend the period to 16 weeks and extend the deadline to apply for a loan to the end of the year.
* Rep. Phillips also introduced the Transparency and Reporting for the Underbanked and Taxpayers at Home (TRUTH) Act, which would require the Small Business Administration (SBA) to disclose details of loans above $2M and justify policy changes to important COVID-19 relief programs, such as the Economic Injury Disaster Loan (EIDL) program.
* 74 House members, led by Reps. Jan Schakowsky (D-IL), Chuy Garcia (D-IL), and Katie Porter (D-CA), wrote a [letter](https://fm.cnbc.com/applications/cnbc.com/resources/editorialfiles/2020/05/26/05262020_Treasury%20Letter%20-%20airline%20COVID%20furloughs%20Final%20w%20signatures.pdf%22%20%5Ct%20%22_blank) to Treasury Secretary Steven Mnuchin to ensure that airlines that received CARES Act funds are complying with the requirements to protect airline workers. The letter specifically addressed reduced hours for workers at United, Delta, and JetBlue.
	+ Secretary Mnuchin indicated last week in a Senate Banking Committee hearing that United Airlines was complying with the terms of the CARES Act.
* House Minority Leader Kevin McCarthy (R-CA) will join 20 other Republican House lawmakers in filing a lawsuit against Speaker Pelosi related to the House rules change allowing a proxy voting system, claiming it is “unconstitutional.” As a reminder, the constitution requires Members of the House to be physically present to vote.
* Leader McCarthy asked Democratic House leadership that the Foreign Intelligence Surveillance Act (FISA) not be considered on the House Floor this week after President Trump indicated he would veto the measure. Speaker Pelosi and Majority Leader Steny Hoyer (D-MD) decided to proceed and the measure is anticipated to pass. We will report on the final tally tomorrow.
* For the first time by way of its new proxy voting system, the House passed [S. 3744 Uighur Human Rights Policy Act](https://www.congress.gov/bill/116th-congress/senate-bill/3744%22%20%5Ct%20%22_blank) this afternoon. The final vote tally was 413-1.
	+ To date, 76 House Democrats have signed up to have their vote cast by proxy and reports indicate that over 70 did vote by proxy on this legislation.
* On Tuesday, Rep. Darren Soto (D-FL) introduced [H.R. 7021](https://www.congress.gov/bill/116th-congress/house-bill/7021?q=%7B%22search%22%3A%5B%22chamberActionDateTotal%3A%5C%222020-05-26%7C116%7Cintroduced%5C%22+AND+billIsReserved%3A%5C%22N%5C%22%22%5D%7D&s=2&r=12" \t "_blank), which allows for electromagnetic spectrum to be used in commercial space launches and commercial space re-entries.
* On Tuesday, Rep. Mark Pocan (D-WI) introduced [H.R. 7018](https://www.congress.gov/bill/116th-congress/house-bill/7018?q=%7B%22search%22%3A%5B%22chamberActionDateTotal%3A%5C%222020-05-26%7C116%7Cintroduced%5C%22+AND+billIsReserved%3A%5C%22N%5C%22%22%5D%7D&s=1&r=9" \t "_blank), to require the President to use his powers under the Defense Production Act of 1950 to produce COVID-19 supplies, like personal protective equipment (PPE).
* On Tuesday, Rep. Carolyn Maloney (D-NY) introduced H.R. 7011, the Pandemic Risk Insurance Act of 2020. As we reported last week, the bill would require insurers to sell pandemic coverage in their business interruption insurance policies. Maloney’s plan includes creating a federal backstop that would help pay for losses.
	+ The National Association of Mutual Insurance Companies and the American Property Casualty Insurance Association unveiled a proposal last week to counter Maloney’s legislation that would require the federal government to compensate businesses hurt by viral outbreaks, rather than having insurers sell pandemic coverage.
* On Tuesday, Rep. Maloney also introduced [H.R.7015](https://www.congress.gov/bill/116th-congress/house-bill/7015?q=%7B%22search%22%3A%5B%22congressId%3A116+AND+billStatus%3A%5C%22Introduced%5C%22%22%5D%7D&s=1&r=7" \t "_blank), To provide financial stability to the United States Postal Service during the coronavirus pandemic.
* House Armed Services Committee Chairman Adam Smith (D-WA) noted that while his committee still plans on holding a full markup on the National Defense Authorization Act (NDAA) legislation, no decisions on the date of a potential markup have been made. Majority Leader Hoyer indicated that the defense legislation is a top priority for the House moving forward.
* The House Transportation Committee Subcommittee on Coast Guard and Maritime Transportation will hold a virtual [hearing](https://transportation.house.gov/committee-activity/hearings/the-status-of-the-us-maritime-supply-chain-during-the-covid-19-pandemic%22%20%5Ct%20%22_blank) this coming Friday entitled “The Status of the U.S. Maritime Supply Chain During the COVID-19 Pandemic.” The non-public witnesses are:
	+ Chris Connor - American Association of Port Authorities
	+ Michael Roberts - American Maritime Partnership
	+ Jennifer Carpenter - American Waterways Operators
	+ Lauren Brand - National Association of Waterfront Employers
	+ Eric Ebeling - USA Maritime

**Administration**

* President Trump met with New York Governor Andrew Cuomo today regarding infrastructure funding for his state to help jumpstart economic recovery. Governor Cuomo indicated that the meeting was very positive and that he asked for quick approvals on the proposed Hudson River rail tunnel, Manhattan's 2nd Avenue subway extension and expedited approval of an AirTrain from LaGuardia Airport to Manhattan. The President noted that a further conversation is planned for next week.
* President Trump and Vice President Mike Pence were both scheduled to attend today’s SpaceX launch. However, due to unfavorable weather patterns, the launch was delayed until Saturday, May 30th.
* President Trump hinted at more sanctions for China in a press conference on Tuesday at the White House, indicating that they could be announced by the end of the week.
* White House Economic Advisor Larry Kudlow said that the current trade deal with China is in place “for the moment,” but that the President is becoming increasingly angry with the alleged concealment of the virus.
* Secretary of State Mike Pompeo said today that the Administration could no longer certify that Hong Kong maintains political autonomy from China after a new controversial [Chinese national security law](https://www.bbc.com/news/world-asia-china-52765838%22%20%5Ct%20%22_blank) is set to be implemented in Hong Kong.
	+ The move could see Hong Kong’s special trading status revoked and endanger Hong Kong’s role as a global trade and banking hub.
* The U.S. International Trade Commission has announced plans to investigate the impact of eliminating tariffs on goods being imported from Kenya. The U.S. Trade Representative’s Office [released a summary](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fustr.gov%2fsites%2fdefault%2ffiles%2fSummary_of_U.S.-Kenya_Negotiating_Objectives.pdf&c=E,1,yDrgINtwDfd4bDjkjp7FKl-cTX5gTCenk7ZSTDS9msb7-oApO1hd-jzEOTi4y_eWRGrHZtisfULwLY30-_mJPIdNWhCcM-VVNIfEv2p9aS6xGB9sqw9lBTkyelc,&typo=1" \t "_blank) of its objectives for the talks with Kenya, including how the current health and economic crises underscores the need to lay a foundation for a stronger economy for the United States.
* According to a [draft Federal Register notice](https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-11288.pdf?utm_campaign=pi+subscription+mailing+list&utm_source=federalregister.gov&utm_medium=email" \t "_blank), Airlines for America has requested that the Federal Aviation Administration (FAA) exempt its members from several federal regulations to allow them to put cargo on their passenger plane main decks for empty flights. The full notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f27%2f2020-11288%2fpetition-for-exemption-summary-of-petition-received-airlines-for-america&c=E,1,ftHDJyUnnwS-B7kFoEvXwmiUpeBnP0nagPNhp3Lqjqlk3h6lWt5_v7JtCZogqOcfy2bP2Lro2ICeuCcdH737Y8yyOiYLiCpcIkSpTaHTI3gKyg,,&typo=1" \t "_blank).
* The Department of the Treasury and the Internal Revenue Service (IRS) on Tuesday finalized a [rule](https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-11465.pdf%22%20%5Ct%20%22_blank) that eliminates the requirement for 501(c)(4) organizations to report the names of donors who give more than $5,000. Supporters have long argued that reporting these names presented potential privacy risks, while opponents say it will make political engagement by these organizations less transparent.
* Gary Morton, president of AFGE Council 238, a union representing 7,500 Environmental Protection Agency (EPA) workers around the United States, is pushing back on the agency’s announced plans to reopen regional EPA offices. In a letter to EPA Administrator Andrew Wheeler, Morton wrote that the union had not been given the opportunity to bargain and establish best practices to provide PPE needed to protect workers. The letter is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/national-council-of-epa-locals-letter.pdf).
* Glenn Fine, the former Acting Inspector General of the Department of Defense who was ousted by President Trump last month, has officially resigned. Fine had been slated to oversee a panel charged with oversight over CARES Act implementation.
* The Department of Labor’s Office of the Inspector General issued a report today stating that the CARES Act-created Pandemic Unemployment Assistance Program is “highly vulnerable to improper payments and fraud.” The report also noted that the program could cost taxpayers millions of dollars. The full report can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/dol-report-pandemic-unemployment-assistance-program.pdf).
* Two separate coalitions made up of 23 states and a dozen environmental groups sued the Administration today over its rollback of a key Obama-era climate initiative that required automakers to meet certain fuel efficiency standards.
	+ New York City, Denver, San Francisco and Los Angeles are joining the suit by California, New York, Illinois, Massachusetts, Michigan, Nevada and 17 other states.
	+ Separately, 12 environmental groups including the Environmental Defense Fund, Sierra Club and Union of Concerned Scientists also sued.
* Federal Register Notices
	+ The FAA has rescheduled a virtual meeting of the Commercial Space Transportation Advisory Committee to June 22. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f27%2f2020-11323%2fcommercial-space-transportation-advisory-committee-notice-of-public-meeting&c=E,1,vULBOS63kzwjow6AOR64RjVWieiVGuvZ-gcKjnyKPxLngFGmvc58k2MrWSS8KfnO8mBmcMTf3WXu2uVrxXs50zOeRv7LFnR-jejdtmpAdeF_NA,,&typo=1" \t "_blank).
	+ The President released a proclamation Honoring the Victims of the Novel Coronavirus Pandemic. The full document can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f27%2f2020-11539%2fhonoring-the-victims-of-the-novel-coronavirus-pandemic&c=E,1,4g_-Vbx19-xBDYQmNHBoIuUeO8-i5kF73EjcVMw-LNxZ4ft51Bj_d3suV2jiieoo6mzdNsRATL9cAin45tdox693WdOkXX5GJagT536EQjuN2rY_Ryqjhgjc&typo=1" \t "_blank).
	+ The Commissioner of U.S. Customs and Border Protection (CBP) is designating an approved Native American tribal card issued by the Confederated Tribes of the Colville Reservation (“Colville Tribes”) to U.S. and Canadian citizens as an acceptable travel document for purposes of the Western Hemisphere Travel Initiative. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f05%2f27%2f2020-11378%2fwestern-hemisphere-travel-initiative-designation-of-an-approved-native-american-tribal-card-issued&c=E,1,v6SNBEqup2wNudtI0awnjXgAf1Bqn0a6cLUJXo650eNcf1o28am083p9J7E8cam349y82ejjt00nXVoDvPapQ_leLgxvZksWSqx89CYXBSjhuJs,&typo=1" \t "_blank).

**Other News**

* The COVID-19 death toll in the U.S. surpassed 100,000 today.
* Boeing announced it will lay off 6,770 employees as a part of its plan to reduce its workforce by 10% due to the pandemic’s impact on the aviation industry. 5,500 U.S. employees already have accepted voluntary layoffs as well. The 6,770 are the first wave of involuntary layoffs. Boeing expects more layoffs to come over the next few months but noted that this is expected to be the largest segment.
* The U.S. Chamber of Commerce sent a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.mema.org%2fsites%2fdefault%2ffiles%2f200527_Coalition_CoronavirusLiabilityProtections_Congress.pdf&c=E,1,CaNjbJdMuLy-pIrjOjnS4YjuhjNec3HNaOOJpBvrXfqFBqVXjvj_Nfuj4o35hUNHgsM5qHu0u4a1Mmc32xdXEhN3-o4-6zfzxUXwBM51U2fS8eHk1W8tAnb-nLN8&typo=1" \t "_blank) to lawmakers signed by over 200 trade associations urging Congress to provide temporary liability relief legislation. The letter urged lawmakers to provide this relief to businesses, non-profits and educational institutions who are planning to follow applicable public health guidelines while reopening, healthcare workers and facilities, manufacturers of COVID-19 essential products and public companies that are being targeted by unfair securities lawsuits due to the pandemic.
	+ Signatories include Airlines for America, the American Gaming Association, the American Hotel & Lodging Association, the American Medical Association, the American Trucking Associations, and the U.S. Travel Association.
* Amtrak has indicated that it is considering laying off 20% of its workforce amid reduced ridership during the pandemic. As we reported, Amtrak requested $1.5B in federal funding for the coming fiscal year to maintain minimum service levels.
* Drone delivery company Zipline announced today that it will deliver PPE and other medical supplies by drone to frontline medical responders, the first program of its kind. The program required an FAA waiver for Novant Health in North Carolina, the hospital system partnering with Zipline.
* In best practice guidelines released on Wednesday, Airports Council International cautioned against screening passengers for COVID-19 symptoms at airports due to worries that it will create crowding at checkpoints, which would be counterproductive to physical distancing practices. The guidelines called for governments to bear the costs and logistics of implementing health-related measures instituted at airports.
	+ The guidelines also emphasized the need to consider the risk of increasing uncertainty of the safety of air travel, which has already been hard hit during the pandemic.
* Airlines for America has called for the Transportation Security Administration (TSA) to begin screening passengers at checkpoints.
* Governments around the world have supplied $123B in COVID-19 related assistance to airlines, but more than half of that assistance will contribute to airline debt according to the International Air Transport Association (IATA). IATA Chief Economist Brian Pearce indicated airline debt could rise to $550B by the end of this year and could result in airline failures.
* A federal judge in Montana has cancelled 440 federal oil and gas leases after determining that the Interior Department failed to protect sage grouse habitats. This will require federal and state governments to return millions of dollars to lease holders, but the judge said that the “economic harm” was not a reason to keep the leases intact.
* The European Union is considering implementing a digital services tax to help pay for pandemic-related spending and repay borrowed funds. A [joint paper](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.bundesregierung.de%2fresource%2fblob%2f975226%2f1753772%2f414a4b5a1ca91d4f7146eeb2b39ee72b%2f2020-05-18-deutsch-franzoesischer-erklaerung-eng-data.pdf%3fdownload%3d1%26utm_source%3dPOLITICO.EU%26utm_campaign%3d966fda3189-EMAIL_CAMPAIGN_2020_05_26_01_55%26utm_medium%3demail%26utm_term%3d0_10959edeb5-966fda3189-190497577&c=E,1,gdh7Wuxf-mdPj4D-UjWSiOnmNd1R3U046wwMWlJ0pQOaHSBGrfJMzj-xIuy8KFqBXk-ccOlKnDQ3vy0qV-_dOinMvd-vwn3FImFSH_NK-rJQteiVIRC_6g,,&typo=1" \t "_blank) presented last week by France and Germany on recovery referred to the “fair taxation of the digital economy within the Union.”
* The European Union lifted export controls on exporting masks and other PPE on Tuesday.
* The National Air Carrier Association, which represents Atlas Air, Frontier Airlines and Spirit Airlines, sent a letter to Transportation Secretary Elaine Chao asking her to oppose federal regulatory efforts to impose capacity limits on aircrafts and restricting the use of the middle seat to create social distancing. A copy of the letter is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/naca-letter.pdf).
* The European Commission proposed a €750B COVID-19 recovery plan that would use an unprecedented scale of joint debt incurred by the 27 member countries to revive economies hit by COVID-19.
* Florida missed revenue projections by $880M in April, representing a 30% decline, due to a lack of tourism. The state, which does not collect income tax, is one of many that is seeing massive revenue shortfalls amid the pandemic.