June 3, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for June 3, 2020:

**Congress**

**Senate Activities**

* The Senate has yet to consider the House-passed H.R. 7010, the Paycheck Protection Program Flexibility Act, that would give small businesses more flexibility with respect to how they use Paycheck Protection Program (PPP) loans. Majority leader McConnell would like to take up the measure this week. However, certain Senators, including Sens. Mike Lee (R-UT) and Ron Johnson (R-WI) are objecting to passing the legislation via unanimous consent.
* As we reported yesterday, Sen. Kelly Loeffler (R-GA) introduced S.3859, which extends the covered period for the PPP from eight weeks to 24 weeks. This extension aligns with the House-passed H.R. 7010.
* Senators James Lankford (R-OK) and Mike Lee (R-UT) have expressed interest in including a provision preventing the curb of any tax deductions for charitable donations in a COVID-19 relief package. Since Congress passed the tax cut legislation in 2017, the charitable tax deduction has all but become obsolete as only some 10% of tax filers are itemizing their tax returns.
* The Senate Commerce, Science, and Transportation Committee is tentatively planning a June 16 reconfirmation hearing for Federal Communications Commissioner (FCC) Commissioner Mike O’Rielly. The sitting Republican commissioner must be reconfirmed by the Senate to remain in his position beyond the end of this year, as his term formally expired last June. President Trump re-nominated O’Rielly for a new term in March. With the FCC decision on the use of spectrum by Ligado, the hearing will likely cover that issue, among others.
* After our report yesterday that the Great American Outdoors Act was sitting at 59 votes, reports today indicate that both Sens. Sheldon Whitehouse (D-RI) and Joe Manchin (D-WV) are now supportive. Elevate believes that the bill will be filed at the end of this week and considered by the Senate next week. As a reminder, this legislation would address the maintenance backlogs at our national parks and permanently reauthorize the Land and Water Conservation Fund (LWCF).
* A bipartisan group of Senators and Representatives demanded a timeline from the Department of Health and Human Services (HHS) for distributing the roughly $100B in funds that Congress allocated for providers months ago. The lawmakers are also seeking an explanation for why safety net providers that provide primary care for the poorest and most vulnerable Americans have yet to receive targeted federal aid. The full letter, which was led by Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) and House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) and Ranking Member Greg Walden (D-OR), can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/hhs-letter.pdf).
* Senator Wyden, who indicated he co-wrote Section 230, which is the law that has been attacked by President Trump’s recent Executive Order, believes the law has played a vital role in the protests for a fairer justice system. Wyden said many of the cases that are coming to light are due to Section 230’s effect on social media.
* The Senate Appropriations Committee received their allocation figures last week and are rumored to begin markups the week of June 23rd with a goal of completing all bills prior to the July recess. There has been no timetable set for floor consideration yet. The subcommittee allocations, also known as 302(b)s, are not yet public.
* The Senate Commerce, Science, and Transportation Committee today held a hearing on the impacts of COVID-19 on the transportation sector and critical infrastructure. Our coverage is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-06-03-senate-commerce-hearing-on-critical-infrastructure-during%20covid-19.pdf) to tonight’s update. The witnesses included:
  + Mr. Randy Guillot, Chairman of the Board, American Trucking Associations
  + Mr. John Bozzella, President and Chief Executive Officer, Alliance for Automotive Innovation
  + Mr. Ian Jefferies, President and Chief Executive Officer, Association of American Railroads
  + Mr. Alex Oehler, Interim President and Chief Executive Officer, Interstate Natural Gas Association of America
  + Mr. Larry Willis, President, Transportation Trades Department, American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

**House Activities**

* House Transportation and Infrastructure Committee Democrats today unveiled details of their five-year surface transportation legislation. As we reported yesterday and earlier today, the legislation has a topline of $494B and has a much stronger focus on climate change than previous surface transportation reauthorization bills. Republicans on the committee, including Committee Ranking Member Sam Graves (R-MO), Highways and Transit Subcommittee Ranking Member Rodney Davis (R-IL) and Railroads, Pipelines, and Hazardous Materials Subcommittee Ranking Member Rick Crawford (R-AR), released a [statement](https://republicans-transportation.house.gov/news/documentsingle.aspx?DocumentID=404898" \t "_blank) noting they were not part of the negotiations on the legislation.
  + The full press release that we shared earlier today, which includes the bill text, bill summary, fact sheet, and section by section, can be found [here](https://transportation.house.gov/news/press-releases/committee-leaders-unveil-the-invest-in-america-act-a-transformational-surface-transportation-bill-to-bring-nations-infrastructure-into-a-new-era" \t "_blank).
* The House Appropriations Committee is scheduled to hold Subcommittee markups June 6th and June 7th and continue to Full Committee markups upon completion. They plan to split the bills into two minibuses with full floor time scheduled for later this month.
* Chairman Frank Pallone (D-NJ) and other Committee Democrats sent a [letter](https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/FCC.2020.6.2.%20Letter%20re%206409%20Ruling%20and%20NPRM.CAT_.pdf" \t "_blank) to FCC Chairman Ajit Pai indicating they want to delay an FCC vote next week on easing the installation of 5G wireless gear on existing communications infrastructure based on concerns that it is rushing localities during the COVID-19 crisis. Republicans on the committee and GOP Commissioner Brendan Carr have indicated their support for the measure.
* During today’s hearing before the House Budget Committee, Douglas Elmendorf, a former Director of the Congressional Budget Office (CBO), said that Congress should extend federally enhanced unemployment benefits, but lower the weekly payment so it doesn’t “hinder a return to work.” Our full coverage of the hearing can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-3-20-house-budget-committee-hearing-on-addressing-the-economic-impacts-of-covid-19.pdf).
* The House Appropriations Committee Subcommittee on the Departments of Labor, Health and Human Services, Education, and Related Agencies is holding a hearing tomorrow entitled “COVID-19 Response.” The sole witness will be Dr. Robert Redfield, Director, Centers for Disease Control and Prevention.
* The House Transportation and Infrastructure Committee today announced a hearing that will be held on June 9 entitled “On the Front Lines: The Impacts of COVID-19 on Transportation Workers.” Witnesses are not yet public, but our conversations indicate the hearing will be geared toward surface transportation workers.

**Administration**

* Department of Transportation (DOT) Secretary Elaine Chao gave an [interview](https://www.politico.com/pb62livestream" \t "_blank) today with Politico regarding DOT’s response to the pandemic and the future of transportation. The topics included consumer confidence, worker safety, and surface transportation, among others.
  + Secretary Chao shared her belief that airlines and their employees should determine how to protect workers and passengers against COVID-19 and that she and the Department were going to avoid “heavy handed” pandemic regulations for airlines.
  + Secretary Chao also applauded the Administration’s response to COVID-19 and highlighted the essential work done by truckers and other transportation workers during the pandemic.
* DOT announced that it will bar Chinese airlines from servicing flights to and from the U.S. later this month, in response to a similar measure put on U.S. airlines by China. This move comes in response to China’s refusal to allow some U.S. airlines to restart passenger service there. The full DOT order can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/dot-order-service-to-and-from-china.pdf).
* According to Secretary Dan Brouillette, the Department of Energy plans to begin reopening its Washington D.C. headquarters June 8. The building will transition to phase one of its reopening on June 8 which includes "mission-critical personnel whose work is best performed onsite, including those who are needed to support limited facility operations."
* In a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.atr.org%2fsites%2fdefault%2ffiles%2fassets%2f6-3-20-%2520Coalition%2520Letter%2520on%2520Alcohol%2520Excise%2520Taxes.pdf&c=E,1,uJpQh18D6RktJy_e2zGwg52DROZHCU5V0WKRw_2Agbji9PhPOEdLizn6VvLeuwihl0-NnEJi8hgRyOHLuSutz0VtLrNa9VTIWvdka3LBt8ijgr4,&typo=1" \t "_blank) to Treasury Secretary Steven Mnuchin, over 30 conservative leaning groups encouraged him to defer excise taxes on beer, wine and spirits for the rest of the year.
* The Department of Labor’s Wage and Hour Division has submitted an [interim final rule](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.reginfo.gov%2fpublic%2fdo%2feoDetails%3frrid%3d130626&c=E,1,HH4DQPjdORjl9EM0UXYjoViYIll7EoFOzd4AzJ7X4u_CVGdYRGMrhSASLrfm_rr4dbOUc4Xfd-MOjTVOkrYy8gVmLQ3Z3X9HivN1LsV7AyFzyARW1nk9Q-i27or56Q,,&typo=1" \t "_blank) that certifies labor value content included in the U.S.-Mexico-China Agreement (USMCA) trade agreement. This was an indicator that uniform regulations for automotive rules of origin could be published soon. A labor provision in the USMCA includes that 40-45% of auto content must be made by hourly workers who make at least $16 an hour.
  + Multiple North American auto industry officials have speculated that they do not expect the rules to be fully enforced on July 1 as the industry is still struggling with fallout from the pandemic.
  + The U.S. Trade Representative (USTR) reached agreement with Canada and Mexico on the Uniform Regulations for Chapters 4 through 7 of the USMCA. The United States has posted them [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fustr.gov%2ftrade-agreements%2ffree-trade-agreements%2funited-states-mexico-canada-agreement%2funiform-regulations&c=E,1,gDIFeB1ZoYzrPtNOr07CHD_QJ6yGPq2iYxu6T7s3IBMLsVonoe7WGm35eQ721AmYC6fK7EbvoAIiDxYssaDrS6IzQ1-IV7j5mEpCaFgYrPDsUQ,,&typo=1" \t "_blank) and Mexico has posted them here. USTR has indicated that Canada will not post them.
* The Internal Revenue Service (IRS) today announced that people who do not file income taxes have until October 15 to register for economic stimulus payments. They also stated that to date, 159M Americans have received payments totaling close to $267B.
* Around 11,000 employees of the IRS were called back to work in Kentucky, Texas and Utah this week. The IRS issued an agency-wide evacuation in March due to COVID-19, but now is facing a backlog of millions of pieces of paperwork.
* Export-Import Bank (EXIM) Chairman Kimberly Reed today underscored the commitment of the bank to supporting U.S. businesses as they face COVID-19 challenges, the new [EXIM Program on China and Transformational Exports](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fwho-we-serve%2fexternal-engagement%2fchina-and-transformational-exports-program%2ffact-sheet&c=E,1,fTIQ9aGzSAyNzTugCOCYoiVhvkzoJddgDvXfLOcvCyCthjMLp42MyOL8_zqZHmRQUqsLFbHAvfHDn5Jd2S_3xpCUseGjp7G5sdQPPD_Ycd7xwYE5ew,,&typo=1" \t "_blank) and the 7-year EXIM reauthorization. The video of the panel can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.txfnews.com%2fEvents%2fEvent%2ftxfglobal2020&c=E,1,MMYOl3WS0VNk2DhoPtIxN4-72omZSkDFs6qzC0wTYA0-bR7HJIrIHzOjzWzbcR7paT2OoK6itBBMEpXj6zPk0JNzv5KRXRtfmOHU3-iLF8eSB78,&typo=1" \t "_blank).
* Defense Secretary Mark Esper broke from the President and said he did not support invoking the Insurrection Act, which allows for the deployment of active-duty troops to respond to the protests. Esper said this should be in a situation of last resort, and that he did not believe that this was one of those situations.
* The Federal Reserve today is expanding the scope of cities that will be able to borrow money through its emergency program for state and local governments by allowing at least two cities or counties in every state to be eligible, regardless of population.
* Federal Register Notices
  + The Food and Drug Administration (FDA) is announcing the process for publishing FDA Emergency Use Authorizations (EUAs) for medical devices related to the Coronavirus Disease 2019 (COVID-19) public health emergency. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f02%2f2020-11898%2fprocess-for-publishing-emergency-use-authorizations-for-medical-devices-during-coronavirus-disease&c=E,1,RPedxS6G-hqVz3cERgMOYlgncpj0GYw2jskFaUm6_6aFgvi6WXonHGLu-xXK_iaTmnEDrwe74KFYxoXSmrl1jIqYE4F-bNuj6kALSSUbLORoIH1yGSJdYNN9XIc,&typo=1" \t "_blank).
  + The Federal Motor Carrier Safety Administration is making changes to the National Hazardous Materials Route Registry (NHMRR) reported to the FMCSA from April 1, 2019 through March 31, 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f03%2f2020-11912%2fnational-hazardous-materials-route-registry&c=E,1,-W1fE5ieu34D11k3vJlgSU3hTYoZ9d5uErmJCGiUodnS8x00UsdRcnc8Vk1jQ4KExZGBwGiSFPt3b8S8US9DiixBO-hzCdbJEsj2zG4IUcmkrNxU&typo=1" \t "_blank).
  + The Federal Transit Administration announced priorities for programs in Fiscal Year (FY) 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f03%2f2020-11946%2ffta-fiscal-year-2020-apportionments-allocations-and-program-information&c=E,1,EeW4Pp7c6JdOVW0mz21ciUZDEXCwspQr8l7R7Vx9Tp9LoenYAREmnp03vb6GKqXHddYOObf8R907qcgnBdH1oKb-HcFSA3YusN0ySihb4z4qQQ,,&typo=1" \t "_blank).
  + The Saint Lawrence Seaway Development Corporation Advisory Board announced a meeting on June 25th, 2020 and September 24th, 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f03%2f2020-11959%2fsaint-lawrence-seaway-development-corporation-advisory-board-notice-of-public-meetings&c=E,1,2bHcw18W35naZkRrLdMDrRvYmyg00ItgdXgGY3BkoHLxoYzIheONYYBnnG0eHXbbJq57l0LEwT0__A4yrejt9a6E9iloi1sN5zTHwqAiQzuSU5ytLkSZgK6lWwfQ&typo=1" \t "_blank).
  + The Office of the U.S. Trade Representative is requesting public comment on the extension of Exclusions Granted Under the $200 Billion Action Pursuant to Section 301. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f03%2f2020-11952%2frequest-for-comments-concerning-the-extension-of-particular-exclusions-granted-under-the-200-billion&c=E,1,hsQbclwOtNj64rP3OndE5NLXzdhNhKIwKbgucBZX2Db9yI5OFISHLc8MUpGiXP5cygzYVA8Vef2g_3Wq4Sx5_JGA3jl9m8eESAg1qQ_dGyQa9m9d7Sw9PLB1jQ,,&typo=1" \t "_blank).
  + The Office of the U.S. Trade Representative is requesting public comment on the extension of Exclusions Granted Under the September 2019 Product Exclusion Notice From the $34 Billion Action Pursuant to Section 301. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f03%2f2020-11942%2frequest-for-comments-concerning-the-extension-of-particular-exclusions-granted-under-the-september&c=E,1,LPuzj93Wpk6ydvnHvrn7tB_sPcJQxgsGiFsU1s4VbP9NEuGXnVBdYt2k00UGack-_6GVhwaEte1YUuCDzhBg5fbA-wmGHeCEiR0J6K4aWV5-8mpcYRnkmhg,&typo=1" \t "_blank).

**Other News**

* 353,261 passengers traveled through Transportation Security Administration (TSA) checkpoints on Monday, setting a new high since passenger levels dropped due to the COVID-19 pandemic on March 22.
* More than 60 passengers from the Grand Princess cruise ship have sued Carnival Corporation for gross negligence in the company's handling of the COVID-19 outbreak aboard the ship that left it stranded in the San Francisco Bay for four days. The complaint alleges that Carnival and Princess Cruise Lines failed to notify passengers of potential COVID-19 exposure.
* The United States’ so-called blue economy, which includes businesses dependent on ocean and Great Lakes natural resources, contributed about $373B to U.S. gross domestic product in 2018, growing faster than the nation's economy as a whole, according to new Commerce Department [statistics](https://www.bea.gov/data/special-topics/ocean-economy" \t "_blank). The figures, from both National Oceanic and Atmospheric Administration (NOAA) and the Bureau of Economic Analysis, are a first-time estimate of the impact of the U.S. marine economy.
* Frontier Airlines, JetBlue, Southwest Airlines, and United Airlines joined DOT and other agencies in signing a letter today requesting a hold on the FCC’s approval of Ligado Networks’ 5G plan until the government can resolve concerns about interference.