June 5, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Update for June 5, 2020:

**Congress**

**Senate Activities**

* Sen. Chuck Grassley (R-IA) is putting a hold on the nominations of Christopher Miller to become Director of the National Counterterrorism Center and Marshall Billingslea to become Undersecretary of State for Arms Control and International Security until President Trump provides an explanation to Congress on the firings of Michael Atkinson and Steve Linick, two inspectors general.
* Sen. John Thune (R-SD) is crafting a bill to limit the amount of tax exposure COVID-19 relief workers could face after moving to other states to help manage the crisis. The measure would specifically affect jobs that caused workers to move across state lines during the pandemic.
	+ The idea is in line with mobile workforce legislation that Sen. Thune and Sen. Sherrod Brown (D-OH) have consistently advocated for a number of years. The Senators introduced [S.604](https://www.congress.gov/bill/116th-congress/senate-bill/604?q=%7B%22search%22%3A%5B%22s+604%22%5D%7D&s=1&r=1" \t "_blank), the Mobile Workforce State Income Tax Simplification Act in 2019.
* Sen. Richard Blumenthal (D-CT) stated he intends to introduce legislation to amend the Insurrection Act of 1807, which authorizes the use of federal troops in domestic issues in limited circumstances, to require Congressional approval to utilize. Sen. Blumenthal noted that he intends to attach the legislation to the National Defense Authorization Act (NDAA).
* Minority Leader Chuck Schumer (D-NY) issued a statement on the President’s recent [Executive Order](https://www.whitehouse.gov/presidential-actions/eo-accelerating-nations-economic-recovery-covid-19-emergency-expediting-infrastructure-investments-activities/%22%20%5Ct%20%22_blank) related to waiving environmental laws and speeding permitting of highways and energy infrastructure projects, which we reported on yesterday.
	+ Sen. Schumer stated that the Executive Order undercuts environmental reviews that are "critical to the protection of public health and one of the last lines of defense to give communities of color, indigenous people and the poor a voice in major infrastructure projects that happen in their backyards.”
	+ Sen. Schumer also said that the Executive Order is “muzzling the voice of environmental justice communities.”
* Though the Senate just recently passed H.R. 7010, the Paycheck Protection Program Flexibility Act, multiple proposals are already being drafted in the Senate to further modify the Paycheck Protection Program (PPP).
	+ Sen. Susan Collins (R-ME) is working to correct the drafting of the 60% payroll requirement to allow businesses to receive partial forgiveness even if they do not hit the 60% which would grant full forgiveness. She is also looking to expand use eligibility for PPP funds to include protective gear, plexiglass shields and renovations to meet Centers for Disease Control and Prevention (CDC) guidelines as businesses reopen.
	+ Small Business Committee Ranking Member Ben Cardin (D-MD), Sen. Cory Booker (D-NJ), Sen. Rob Portman (R-OH) and Sen. Jim Lankford (R-OK) introduced legislation on Thursday that would let small business owners with criminal records apply for PPP loans.
* Senator Josh Hawley (R-MO) wrote a [letter](https://www.hawley.senate.gov/sites/default/files/2020-06/Hawley-Letter-US-Companies-China-Hong-Kong.pdf%22%20%5Ct%20%22_blank) to the U.S. business community urging American companies to speak out in support of Hong Kong amid efforts by Beijing to roll back its autonomy. His letter also asks American companies to reevaluate their presence in China.
* Senate Republicans continue to push back on a short-term extension of the current surface transportation reauthorization legislation (the FAST Act), arguing that short term extensions will cause uncertainty for states and communities. Senate Environment and Public Works Committee Chairman John Barrasso (R-WY) continues to push for the full Senate to take up his highway bill, S. 2302, which already passed out of his committee last year. However, the Senate Banking, Housing and Urban Affairs and Senate Commerce, Science, and Transportation Committees have yet to report out their legislation that are required for enactment of a reauthorization.

**House Activities**

* The House Democrats will release [a package of four police reform bills](https://omar.house.gov/media/press-releases/rep-ilhan-omar-announces-slate-bills-address-george-floyd-murder-government%22%20%5Ct%20%22_blank) on Monday, introduced by Rep. Sheila Jackson Lee (D-TX) and Rep. Ilhan Omar (D-MN). The package of bills will be named after George Floyd.
	+ Republican Minority Leader Kevin McCarthy (R-CA) indicated some of the bills have bipartisan support.
	+ While there has been some disagreement on issues including banning police choke holds, both sides of the aisle are expected to come together on issues like creating databases for reporting officer misconduct and having independent bodies for police officer oversight.
* The House Armed Services Committee has scheduled its full committee markup of the NDAA for July 1. The plan is to then consider the legislation on the House Floor before the August recess.
	+ Subcommittees will mark up their portions of the NDAA on June 22 and 23.
* House Republicans are demanding that expanded unemployment benefits are cut from the next COVID-19 relief package. In a [letter to Senate leadership,](https://www.dropbox.com/s/tw282phznp9orzc/Rep.%20Comer%20-%20UI%20Letter%20to%20Leadership.pdf?dl=0" \t "_blank) Rep. James Comer (R-KY) led a group of Republican lawmakers in listing reasons why the unemployment benefits are harmful.
* The House Armed Services Committee is considering calling former Pentagon leaders to testify in front of the Committee on the appropriate use of military forces in a domestic context, after questions have arisen around President Trump looking to deploy federal assets to states to deal with protests.
	+ Several retired Pentagon leaders have spoken out against using active-duty troops to engage with protesters, including former Joint Chiefs Chairmen Retired Army Gen. Martin Dempsey and Retired Air Force Gen. Richard Myers.
	+ Press reports indicate that Defense Secretary Mark Esper and Joint Chiefs Chairman Gen. Mark Milley will not participate in a public hearing led by House Armed Services Chair Adam Smith (D-WA) after both appeared alongside Trump at the photo op near the White House on Monday after peaceful protesters were dispersed by force.
* Reps. Pamila Jayapal (D-WA), Mark Pocan (D-WI), and Ilhan Oman (D-MN), are introducing legislation to amend the Insurrection Act of 1807, which authorizes the use of Federal troops in domestic issues in limited circumstances, to require Congressional approval to utilize. The legislation was introduced in response to President Trump’s use of the Insurrection Act to bring troops into Washington, D.C. during the protests surrounding the death of George Floyd.
	+ This is similar to the measure that was introduced in the Senate by Sen. Blumenthal.

**General Congress**

* Two separate bills were introduced in Congress on Thursday to promote artificial intelligence (AI) research.
	+ The National AI Resource Task Force Act was introduced in the House by Reps. Anna Eshoo (D-CA), Anthony Gonzalez (R-OH) and Mikie Sherill (D-NJ). The companion legislation was introduced in the Senate by Sens. Rob Portman (R-OH) and Martin Heinrich (D-NM).
	+ The Advancing Artificial Intelligence Research Act was introduced in the Senate by Sens. Roger Wicker (R-MS), Cory Gardner (R-CO) and Gary Peters (D-MI).
	+ Both bills show the bipartisan interest in advancing AI research.

**Administration**

* President Trump signed H.R. 7010, the Paycheck Protection Program Flexibility Act, in a ceremony in the Rose Garden.
* The Department of Transportation (DOT) will allow two weekly round-trip flights between the U.S. and China for Chinese airlines, according to a new order published Friday. As a reminder, DOT had previously banned all flights by Chinese airlines to the U.S. in retaliation to a similar move by the Chinese government. China acted first in approving flights to the U.S. from China.
* The Internal Revenue Service (IRS) announced on Thursday that it was easing off requirements for the Opportunity Zone Program and that it will give taxpayers more time to meet deadlines due to the COVID-19 pandemic. This includes an extension of the 180-day period to invest proceeds from sales into investment vehicles.
* The judge hearing the Trump Administration’s challenge to California’s cap and trade link with Quebec cancelled the hearing and decided he can settle the case solely on the briefs.
	+ The Judge, William Shubb, has already rejected the argument that the linked program violated the Trump Administration’s first argument that the program violated the Constitution.
* The U.S. and Brazil are in negotiations to complete a trade deal before the end of the year covering trade facilitation and digital trade and regulation. Both sides expect the deal to expand to a broader based relationship in the future. The deal, in its current form, would not require Congressional approval.
	+ Even though it is not required for this deal, a broader agreement with Brazil would face opposition from House Ways and Means Committee Democrats who wrote a [letter](https://waysandmeans.house.gov/sites/democrats.waysandmeans.house.gov/files/documents/20200603_WM%20Dem%20Ltr%20to%20Amb%20Lighthizer%20re%20Brazil.pdf%22%20%5Ct%20%22_blank) to U.S. Trade Representative Robert Lighthizer to oppose deeper trade ties with Brazil. Their opposition largely hinges on President Jair Bolsonaro’s poor record on civil, human, environmental and labor rights.
* The Labor Department reported that the unemployment rate fell to 13.3% in May as parts of the economy have reopened.
	+ The Department also reported that 50,000 aviation industry jobs were lost in May, down from 79,000 in April. Transportation and warehousing employment fell by 19,000 in May, down massively from 553,000 jobs lost in April.
	+ Manufacturing saw a 225,000 increase in employment, following a 1.3M decrease in April.
	+ Employment rose by 1.2M in the leisure and hospitality industry last month, after losing more than 8.2M jobs in April and March combined.
* According to the National Oceanic and Atmospheric Administration (NOAA) and Scripps Institution of Oceanography, May marked the highest atmospheric carbon dioxide reading ever even as the pandemic has caused emissions to reduce.
* The Federal Transit Administration (FTA) [announced](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.transit.dot.gov%2fabout%2fnews%2fus-department-transportation-announces-35-million-grants-improve-access-mobility-all&c=E,1,ex8og_kVMgUdDm8BRlyVhRNvopC_OBr4IZh-mjMHyh2c3-eI4GVy-y2iFO4kC0eVaMROP-DJXkqpRX5tLQkTFgfpo_z432kCIZQDYT9BEfg,&typo=1" \t "_blank) $3.5M in grants for 17 projects in 16 states in order to improve mobility and access for older adults, people with disabilities and low-income individuals. The funding is provided through the FTA’s “Mobility for All” pilot program.
* Federal Register Notices
	+ The Federal Aviation Administration (FAA) is requesting public comment on its intent to extend information collection regarding an FAA requirement that small unmanned aircraft accidents be reported to the FAA if they result in injury or damage exceeding certain thresholds. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f05%2f2020-12137%2fagency-information-collection-activities-requests-for-comments-clearance-of-renewed-approval-of&c=E,1,ujFrbKuucQK2MlS84WELyuv1dTikR51Lunn2fMJ0zMqemVpe5IfV-L4i0pDstIQrACL-AMtAJ43ROwwIOi4r5X_as07mguYVzXUa000Uw_Gn&typo=1" \t "_blank).
	+ The Federal Communications Commission (FCC) announced methodologies for the establishment of the 5G Fund for Rural America and the Universal Service Reform-Mobility Fund. The full notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f05%2f2020-09815%2festablishing-a-5g-fund-for-rural-america-universal-service-reform-mobility-fund&c=E,1,_uaPdm1AIK9nrh3Q054NMItxBh5WnEZPclO_-3yCokikjJ59Hq5ZUXKYWWcSe2XWKEriuKPZ7q79zdx5aj1v0A1UdlNQSgvZFb7lfAGp9pwb1ADp&typo=1" \t "_blank).
	+ The Food and Drug Administration (FDA) is announcing the issuance and reissuance of Emergency Use Authorizations (EUAs) for certain medical devices related to the 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%2f05%2f2020-12117%2fauthorization-of-emergency-use-of-certain-medical-devices-during-covid-19-availability&c=E,1,VeyiPrAXtsta6YZ8gOgTSgEF6YVMcWPUy0F6duN6G9U2Y1mrL940Jp1KooaZDZEAtsF75kpCMg9F1b_DbzSGK8Xy1raRrIW2DmlKmFK4MffJPio,&typo=1" \t "_blank).
	+ The President is extending the authorization of the use of the National Guard to support COVID-19 response and recovery for states. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f05%2f2020-12431%2fproviding-continued-federal-support-for-governors-use-of-the-national-guard-to-respond-to-covid-19&c=E,1,qrYRYwMq5B98svQZ-y_L3RmfIZVqIyLfyYwB4naaxBoTa8caunkrSMIoMlb1Gsf3mf_mRXW9tcVwGBMGOvCgSk9v847PwaOiIsO62bzMai20LsQyJpo,&typo=1" \t "_blank).
	+ The U.S. Trade Representative is initiating investigations with respect to Digital Services Taxes (DSTs) adopted or under consideration by Austria, Brazil, the Czech Republic, the European Union, India, Indonesia, Italy, Spain, Turkey, and the United Kingdom. The full notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f05%2f2020-12216%2finitiation-of-section-301-investigations-of-digital-services-taxes&c=E,1,ScmFRvSwB_E1VXTF56xYa08cK5iM0Qtzo9jLeRz3ilYm9IZE-QSJgY_nHA4xGw7tBB_st_4iyiFdT_lT7gJQ9W6RllzUyJ0xX4sMhznZIAA8NRY8CcFhVGxB&typo=1" \t "_blank).

**Other News**

* The recently published United States-Mexico-Canada Agreement (USMCA) uniform regulations offer auto companies a transition period between July 1 and the end of the year, as companies had requested, so that the auto industry can get all of its documentation in order.
	+ The auto industry is still waiting on the Labor Department to release its labor value content certification rule for USMCA, which is expected in the coming days.
* A group of almost 100 clean energy, trade and environmental groups, led by the Coalition for Green Capital wrote a letter to lawmakers urging them to create a $35B clean energy jobs fund that could put up to 5M people back to work. The letter encourages Congress to pass [S.2057](https://www.congress.gov/bill/116th-congress/senate-bill/2057?q=%7B%22search%22%3A%5B%22s+2057%22%5D%7D&s=2&r=1" \t "_blank) and [H.R. 5416.](https://www.congress.gov/bill/116th-congress/house-bill/5416?q=%7B%22search%22%3A%5B%22hr+5416%22%5D%7D&s=3&r=1" \t "_blank) The bill would pair public funding with multiple private sector funds for investment areas like renewable power, electric grid infrastructure, clean transportation and other climate resilient infrastructure. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/coalition-for-green-capital-letter-5-6.pdf).
	+ An [analysis](https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fcoalitionforgreencapital.com%2fwp-content%2fuploads%2f2019%2f09%2f1T-investment-white-paper.pdf&c=E,1,d4oqvkTT3AomUX6eVJpaAmPCvjxyx8To86WLw-18Q3ARzbK4xzhqpc8LCkmyvFhODz_qgK_avmUL4mUgYqZYAYziG78UmP42xmSk30goJU1jrfKT80MmyMdHDA,,&typo=1" \t "_blank)by the Coalition for Green Capital believes the $35B in federal funding would spur $1T in total investments over 30 years.
* According to the Home Affairs Commissioner, the European Commission is aiming to lift travel restrictions within the Schengen Area in Europe by the end of June, with bans on travel from outside the European Union to be lifted in early July. This could bring increased tourism to Europe in the second half of the summer and allow travel businesses and countries to recoup some of their lost revenue.
* U.K. lawmakers [held a hearing](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fcommittees.parliament.uk%2fcommittee%2f438%2fdigital-culture-media-and-sport-subcommittee-on-online-harms-and-disinformation%2fnews%2f146692%2fsocial-media-companies-questioned-on-tackling-misinformation%2f&c=E,1,VLTiGafvYkmZ4JqSmvogzXYmlRB-ynGwl2Ta4q7u-A-5SdeMu5kBxNx_A4hihUSriiAyajcTufZgwfh4bScDegqYqL0sD8chQZUwkysKSLiT_ZaY73UN_g,,&typo=1" \t "_blank) focusing on COVID-19 misinformation with executives from some of the top American technology companies, including Facebook, Google and Twitter.
* Zoom is facing pressure from industry groups to expand their use of end-to-end encryption for free accounts. Zoom recently announced their encryption plans, which only extended to paid accounts.
* National weekly travel spending grew by 15% to $4.3B this week. However, spending is still only at 20% of normal.
	+ Since the beginning of the pandemic in March, the industry has had over $215B in cumulative losses.
* A top Google security official warned that Chinese and Iranian hackers have been targeting the emails of both the Biden and Trump campaigns.
	+ In October 2019, Microsoft said that the Iranian government had already targeted the emails of the Trump campaign.
* A ballot initiative that would expand “right-to-repair" rights for car owners and third-party mechanics in Massachusetts could require a federal solution if it passes. The measure, which is the extension of a 2012 measure in Massachusetts, gives car owners and independent mechanics the right to the same diagnostic and repair information, now including data that cars send wirelessly to dealers, that automakers give dealers.
* A new [study](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.iihs.org%2fnews%2fdetail%2fself-driving-vehicles-could-struggle-to-eliminate-most-crashes&c=E,1,3ORDMLaq-9KNcdIq1kVRltoMQp_wnRV737kFIP_r_iV60IhYr9LCGJXKrR9C5gbEGgGF-EQ9NR0tESP2nc8sfv_fqpxrmoUpa_T5zVm5oSz51mQ,&typo=1" \t "_blank) from the Insurance Institute for Highway Safety indicates that although autonomous vehicles will begin to detect hazards better than humans, they will still fail to prevent many crashes. Partners for Automated Vehicle Education, a coalition including both industry and safety groups, said in a blog post that the study is based on questionable assumptions, particularly the degree to which passengers are able to alter the behaviors of autonomous vehicles.
* The National Air Transportation Association released a petition with the FAA on Thursday to permanently expand the number of pilot line checks (flights where an evaluator observes the pilot) done by employees of companies rather than the FAA itself. The current expansion was issued due to the COVID-19 pandemic.
* The Federal Reserve Bank expanded the Municipal Liquidity Facility (MLF) to allow at least two cities or counties in each state to directly issue notes to the MLF. Additionally, the Governors of each state will be able to designate two issuers in their jurisdictions whose revenues are generally derived from operating government activities, including ports and public transportation, to be eligible to directly use the facility. The announcement is available [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalreserve.gov%2fnewsevents%2fpressreleases%2fmonetary20200603a.htm&c=E,1,XG93f4t5imL1Un5s6knMUbRiLZKeQqHMzaTTAFGDIM14rHDjtLkacigFSG7TxdXze8inGIYyPOPVaiWvg6D_s7_hSbpSJUtC-LbyB-vK71sqS-0YHYe_&typo=1" \t "_blank).