June 10, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Updates for June 10, 2020:

**Congress**

**Senate Activities**

* The Senate Commerce, Science, and Transportation Committee appears set to hold an oversight hearing on the Federal Communications Commission (FCC) later this month, with June 24 as a tentative date. The hearing will likely cover a wide range of topics, including President Trump’s Executive Order on social media companies, as well as the FCC’s recent action to free airwaves for 5G and next generation technology.
* The Senate Armed Services Committee (SASC) began their full committee markup of the National Defense Authorization Act (NDAA) today after subcommittees approved their respective portions of the bill. Democrats, led by Senator Kirsten Gillibrand (D-NY), are urging for stronger provisions to clean up toxic per- and polyfluoroalkyl substances (PFAS) chemicals and the addition of “safe to report” provisions, which allow service members to report sexual assault without fear of counter charges or retribution.
  + The SASC Personnel Subcommittee approved their portion of the bill on Tuesday, which included a three percent pay raise for the military.
* As the Senate continues to consider the Great American Outdoors Act, some Senators are advocating for the inclusion of amendments. Majority Leader Mitch McConnell (R-KY), however, filed for cloture on the legislation and filled the amendment tree, blocking any additional amendments.
  + Sen. Tammy Baldwin (D-WI) pushed for a “Buy America” amendment to the Great American Outdoors Act to ensure that certain upgrades and repairs on public lands were being made using U.S. made products and American workers. The amendment text is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/baldwin-buyamerica.pdf).
  + Sens. Lisa Murkowski (R-AK) and Bill Cassidy (R-LA) urged the Senate to consider Cassidy’s amendment to the public lands package, which would allow for coastal lands to receive more funding from offshore oil and gas production to address resiliency and restoration efforts in states.
* Sens. Ed Markey (D-MA) and Richard Blumenthal (D-CT) wrote a [letter](https://www.markey.senate.gov/imo/media/doc/Airline%20Social%20Distancing.pdf" \t "_blank) to Department of Transportation (DOT) Secretary Elaine Chao and Health and Human Services (HHS) Secretary Alex Azar asking for mandatory rules regarding masks on board planes, social distancing on flights, and airplane cleaning.
* Sen. Sheldon Whitehouse (D-RI) wrote a letter to the Justice Department’s head of the antitrust division inquiring about the origin of an investigation into the voluntary emissions deal that was made between the State of California and four automakers. The investigation is now closed. The letter is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/whitehouse-letter.pdf).
* Sens. Ben Cardin (D-MD), Jeanne Shaheen (D-NH) and Chris Coons (D-DE) announced plans to introduce the Prioritized Paycheck Protection Program Act. The legislation would authorize new lending under the Paycheck Protection Program (PPP) to small businesses with 100 employees or less, including sole proprietorships and self-employed individuals. Eligible businesses would have to have already expended an initial PPP loan, or be on pace to exhaust the funding. Businesses would also have to demonstrate a 50% or more revenue loss due to the COVID-19 pandemic. A full press release on the legislation can be found [here](https://www.coons.senate.gov/news/press-releases/sens-coons-cardin-shaheen-announce-legislation-to-get-capital-to-small-businesses-hardest-hit-by-covid-19" \t "_blank).
* Sens. Marco Rubio (R-FL), Kevin Cramer (R-ND), Kelly Loeffler (R-GA) and Josh Hawley (R-MO) all [voiced support](https://www.rubio.senate.gov/public/index.cfm/press-releases?ID=5864E549-BB6C-4E06-B48A-0A1EB7841055" \t "_blank) for President Trump’s Executive Order to push the FCC to narrow the scope of Section 230 in a [letter](https://www.rubio.senate.gov/public/_cache/files/92554ff2-c2e2-4c4f-98d6-5df7765c5161/8C68B7F134477349F6C89D86B5C09435.20.06.09--rubio--loeffler--cramer--hawley-to-fcc-pai-re-section-230.pdf" \t "_blank) to FCC Chairman Ajit Pai.
  + As a reminder, the Executive Order was signed amid an ongoing confrontation between the President and certain social media companies, who he claimed were unfairly censoring conservative opinions.
* The Senate yesterday unanimously confirmed Gen. Charles Q. Brown to be the next Air Force chief of staff, making him the first African American to hold the highest uniformed role of a military service. His confirmation also makes him the second African American to sit on the Joint Chiefs of Staff after Gen. Colin Powell was Chairman under Presidents George H.W. Bush and Bill Clinton.
* The Senate Small Business Committee held a hearing on the implementation of the PPP that featured testimony from Treasury Secretary Mnuchin and Small Business Administration Administrator Carranza. Our coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-10-20-senate-small-business-committee-hearing-on-ppp-implementation.pdf).
  + In his testimony, Secretary Mnuchin emphasized that the Federal government should provide more pandemic relief targeting specific businesses, including those in the restaurant and the travel and leisure industries.
* The Senate Homeland Security and Governmental Affairs Committee confirmed Russ Vought to be the Director of the White House Office of Management and Budget (OMB). Vought was approved along a party-line vote, 7-4.
  + The Senate Budget Committee will vote on the nomination of Vought to lead OMB on Thursday.
* Senator Angus King (I-ME) warned Canada that allowing Huawei products inside its 5G wireless network would risk cutting the country off from data collected by its partners. Senator King said that he is “astounded” that some countries are permitting equipment from the Chinese telecom giant into their next-generation infrastructure.
  + Senator King announced last week that he will co-sponsor Senator Mark Warner (D-VA) and Senator Richard Burr’s (R-NC) bill, S. 3189, which would provide $1B in funding to help develop new U.S. and Western-led 5G alternatives to Huawei and ZTE.

**House Activities**

* The House Judiciary Committee held a hearing on police brutality today. The hearing featured testimony from Philonise Floyd, the brother of George Floyd, and Dan Bongino, a former Secret Service Agent and prominent ally of President Trump, among others. The hearing comes as House Democrats recently unveiled a legislative proposal on police reforms as protests continue around the country.
* During the House Transportation and Infrastructure hearing yesterday, Rep. Scott Perry (R-PA) questioned the need for additional relief for transit made by Larry Willis, the President of the AFL-CIO’s Transportation Trades Department. Rep. Perry said that the amount of money that the Federal government has already set aside exceeds the annual amount that the Federal government typically provides transit agencies by $10B. It is important to note that the money provided to date was focused on allowing agencies to continue operations amid a steep decline in ridership and revenue, but not to bridge the gap for capital improvement projects and other costs.
  + Additionally, during the hearing, United Airlines flight attendant Susannah Carr urged lawmakers to extend payroll aid for airlines through Jan 31, 2021. Carr warned that without the aid, there would be mass layoffs in the industry.
  + Committee Chairman Peter DeFazio (D-OR) requested that the Federal Aviation Administration (FAA) commission a study on the circulation of respiratory droplets inside planes. Chairman DeFazio said that the FAA currently would “like to remain ignorant” on the issue.
* In a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.cbo.gov%2fsystem%2ffiles%2f2020-06%2f56395-CBO-Pelosi-Letter.pdf&c=E,1,I6aVhPcqMyPFedeOvdxpCDW2P0I7p3as4VQDnRQDPvY1OBgRiml3s-eX6542QuLmF_7e6Xjk8VK1-stDhE9QjcQ-_V6dmXXc1aEm59zFskQ,&typo=1" \t "_blank) to House Speaker Nancy Pelosi (D-CA), Congressional Budget Office Director (CBO) Phillip Swagel again advocated for more aid to state and local governments and stated that additional aid would provide as much value as the relief that has already been provided through the CARES Act. Director Swagel also raised that increased Medicare spending likely does more to help the economy than both tax breaks for businesses and refundable tax credits
* The House Oversight and Reform Committee held a hearing on essential workers and their experience during the pandemic. Our coverage of the hearing is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-10-20-house-oversight-hearing-on-essential-workers.pdf), and featured testimony from:
  + John A. Costa, International President, Amalgamated Transit Union
  + Anthony “Marc” Perrone, International President, United Food and Commercial Workers International Union
  + Bonnie Castillo, Executive Director, National Nurses United
  + Eneida Becote, Wife of Edward Becote, essential worker who died from coronavirus
  + Clint Odom, Senior Vice President for Policy and Advocacy, National Urban League
  + Avik S. A. Roy, President, the Foundation for Research on Equal Opportunity

**Administration**

* White House Chief of Staff Mark Meadows, Domestic Policy Advisor Ja’Ron Smith and Jared Kushner met with Sen. Tim Scott (R-SC) today to discuss policing reform. The goal of the meeting was to go through Sen. Scott’s reform proposals and present them to President Trump, though Sen. Scott emphasized that Senate Republicans are, to date, moving separately from the White House on this issue.
* The Federal Trade Commission (FTC) is considering investigating Zynn, a competitor app to Tik Tok, following privacy concerns raised by both the House and Senate. Zynn was created by Kuaishou, a competitor of TikTok’s parent company ByteDance.
  + Sen. Josh Hawley (R-MO) [wrote in a letter](https://www.hawley.senate.gov/sites/default/files/2020-06/Hawley-Letter-FTC-Zynn.pdf" \t "_blank) to the FTC that there are serious concerns about the objectives of the app and whether the app conflicts with the interests of the United States.
* United States Trade Representative (USTR) Robert Lighthizer encouraged subsidies or tariffs to boost United States personal protective equipment (PPE) and pharmaceutical production. This encouragement continues a trend of both Republican lawmakers and the Administration pushing for a stronger focus on the domestic supply chain for medical supplies.
* Kevin Hassett, a Senior Economic Adviser to President Trump, [told the Wall Street Journal](https://www.wsj.com/articles/hassett-sees-another-stimulus-bill-from-congress-before-august-recess-11591720860?mod=politics_lead_pos5" \t "_blank) that he believed the odds of the next COVID-19 relief package coming before the July 4th recess to be high. This counters much of what is being said by lawmakers on Capitol Hill, especially considering that the House is not set to return to Washington until the end of June.
* The Trump Administration is planning on lifting the Obama-era ban on funding civilian nuclear projects in developing countries. The U.S. International Development Finance Corporation (formerly known as the Overseas Private Investment Corporation) announced that it will open a 30-day comment period to the policy change.
  + The change in policy follows a [letter](https://www.energy.senate.gov/public/index.cfm/files/serve?File_id=F5546F9F-27DE-484D-A1BE-90553B19D871" \t "_blank) from Senate Energy and Natural Resources Chairwoman Lisa Murkowski (R-AK), Ranking Member Joe Manchin (D-WV), and Sens. Kevin Cramer (R-ND), John Barrasso (R-WY), Mike Crapo (R-ID) and Lindsey Graham (R-SC) calling for this change.
* President Trump is considering allowing offshore drilling off Florida’s coast, but said he would not roll out the proposed program until after the November election.
  + Florida Senators Rick Scott (R-FL) and Marco Rubio (R-FL) introduced [S.13](https://www.congress.gov/bill/116th-congress/senate-bill/13?q=%7B%22search%22%3A%5B%22s13%22%5D%7D&s=1&r=1" \t "_blank), which would extend the drilling moratorium and both Senators have raised their opposition to drilling with Senate leadership.
* European Union (EU) Trade Commissioner Phil Hogan on Tuesday downplayed reaching a trade agreement with the United States soon. USTR Lighthizer also criticized the EU for not being willing to sign trade agreements with non-signatories of the Paris Climate Agreement. The two trading partners do not seem to be making significant process despite years-long work on a trade agreement.
* The FCC unanimously voted on Tuesday to institute a $225M fine for health insurance telemarketers that make illegal robocalls.
* According to DOT’s Bureau of Transportation Statistics (BTS), only three million people flew on U.S. airlines in April, a 96% decline compared to April 2019. The report comes as U.S. airlines continue to implement new measures to make passengers feel safe flying, including temperature checks before boarding flights, health questionnaires, and increased employee testing.
* The Federal Reserve estimated that interest rates will remain near zero through 2022. Additionally, the bank expects the economy to contract by 6.5% this year and that unemployment will be 9.3% by the end of 2020.
* Federal Register Notices:
  + The FAA posted a notice summarizing a petition by Airlines for America seeking relief from Federal Aviation Regulations. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12507%2fpetition-for-exemption-summary-of-petition-received-airlines-for-america&c=E,1,FLyumHQOm9WL8csodjG5_phBm0wx80NloqJfGSHE1scVLPY2pyZzzltNrnu4uFjDZIjWsdmGYrK8KWA2WfX-Rjlzk8HbuEt3-uKV-f6LJQToeyXz1Iqd8J04Nv881A,,&typo=1" \t "_blank).
  + The FCC is requested comment on what action should be taken to implement the Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence (TRACED) Act. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-10896%2fimplementing-the-pallone-thune-telephone-robocall-abuse-criminal-enforcement-and-deterrence-act&c=E,1,0C5d1RO1y0_2T_beMoRgkP9u1z7T9msQVUlHAbH_cXh9-QhWzGPx4YUUSZ3aNTCOU6z5SnqMJmd9xUHKejUg2-0ip3HUmxpCJwCh1B6KjxnQurL0g_1nqUGshmk,&typo=1" \t "_blank).
  + The Federal Motor Carrier Safety Administration (FMCSA) submitted an information collection request to collect data on the delays, by State, that applicants face when scheduling a Commercial Driver’s License (CDL) skills test. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12567%2f60-day-notice-of-renewal-for-information-collection-request-for-renewal-of-commercial-drivers&c=E,1,RfoBB6B8msZPSL4c1Is11MXQFDS37Lggs5d2xz2YTvm_SXwGe1i7oqKTBGOZYuFA0mrUzgOM3t216Rol3Hjz62m5WOa6hxnG5b50uPPvgw,,&typo=1" \t "_blank).
  + The Federal Railroad Administration (FRA) released the application requirements and procedures to obtain grant funding for eligible projects under the Federal-State Partnership for State of Good Repair Program. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12542%2fnotice-of-funding-opportunity-for-the-federal-state-partnership-for-state-of-good-repair-program&c=E,1,Uw6qU6olFk_IQcQlvSHNUuxcQ7z3Ixx3yiMqKM8g6P0SMiMyDaxxrGs4rQjU6lGQFCvzydH-JqOI-qvboIJ5uEr3K5ixoCWN3eh6nhCnc0hjaYE6cETWRI_OkSgj&typo=1" \t "_blank).
  + The National Aeronautics and Space Administration (NASA) announced a meeting of the Astrophysics Advisory Committee. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12534%2fnasa-astrophysics-advisory-committee-meeting&c=E,1,B3f8I_tLCV6LTRUbtlwxoJbAHCgqHAA3qXBulLV7aKkTSBSMUKRKnHkEbA4br3FwIcUqb1-c8jW_sP9qkPbSKWMqowfUs_L9Q0LXFVrhcj2H-rUvG2TxZok,&typo=1" \t "_blank).
  + The Pension Benefit Guaranty Corporation (PBGC) requested that OMB extend an information collection request on Liability for Termination of Single-Employer Plans. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12510%2fsubmission-of-information-collections-for-omb-review-comment-request-liability-for-termination-of&c=E,1,NDnSa_96SLNnrGXAAps3MZFJKGuQVgDz-bHqk5teMBNd9fH8U2PpzCC7hjdgNNXDwCdCrd7HBnprpieaEexSFm1U0mj6mz4-9KmklWmHrGGAbh08KF_G&typo=1" \t "_blank)
  + The Department of State requested comment regarding temporary suspensions, modifications, and exceptions to several provisions of the International Traffic in Arms Regulations (ITAR). The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12580%2finternational-traffic-in-arms-regulations-request-for-comment-regarding-the-temporary-suspension&c=E,1,t7LvFX7-NGCEcULsv_fJ8OF0_L_oo87EXW0BNhnVj21So_DWIRgnKb0HW8NLBWwLi52qEueIuquWeEsk-XJUtKTM6MnaNeWLaLvq_C5ItBwraeS4&typo=1" \t "_blank).
  + U.S. Customs and Border Protection (CBP) requested that individuals who are interested in serving on the CBP User Fee Advisory Committee apply for appointment. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f10%2f2020-12509%2frequest-for-applicants-for-appointment-to-the-us-customs-and-border-protection-user-fee-advisory&c=E,1,FWDLexGI2Yx-N3tCMTJYsZO_Oe6_1PthQV_5ICa2lTPhLx_cfgvCLGsxUq3QPAY2dYLlAyu2XwFsCvKdxG93HUqekMoSeLt8O5NWTl12em3fDg,,&typo=1" \t "_blank).

**Other News**

* State and local governments lost 585,000 government jobs in May, according to the Department of Labor and losses are likely to continue given the revenue shortfalls many states are facing during the pandemic. Governors, mayors, and other local officials are urging Congress to provide additional relief to state and local governments.
* A new [report](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.precisionhawk.com%2fhubfs%2fRetest_DJI%2520Cybersecurity%2520Risk%2520Assessment%2520Final%2520Report_03.31.2020%2520Executive%2520Summary%2520%281%29.pdf&c=E,1,UuNs9ps78No6mYggqqNJBNpkxA2fRM331zwzoGXoDwIedKnB8m6nYCf2qo2f-vAvR3TNysFjJNGLg5dJtmpJbW5uNhs9tDs_FWbm1p9wvtU,&typo=1" \t "_blank) issued by Booz Allen Hamilton countered claims made by the Administration and lawmakers that drones from Chinese manufacturer DJI are unsafe for use by U.S. agencies and law enforcement. The key finding was – there is no evidence that data was being transmitted between three types of DJI drones and the company or the Chinese government.
  + However, the report did find 13 vulnerabilities with DJI drones, mainly relating to physical access or proximity to the vehicles.
* The Republican Party will likely move the premier event of the convention, the nomination and speech by President Trump, to Jacksonville, Florida from Charlotte, North Carolina after they could not resolve disagreements with Governor Roy Cooper over restrictions due to the pandemic. The more routine and lower-profile meetings will likely still take place in Charlotte.
* Colorado is seeking to bridge revenue losses from the pandemic by raising more than a quarter of a billion dollars through taxes. This includes eliminating tax cuts that came in the 2017 tax law and through the CARES Act.
* Global demand for natural gas may have its largest annual decline ever and drop four percent this year according to a new report from the International Energy Agency. In the 2008 financial crisis, natural gas demand only dropped by two percent.
* The U.S. subsidiaries of China Telecom, China Unicom, and Comnet are all defending their records to the FCC, after recent pressure has mounted to revoke their licenses. In [China Telecom’s](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fecfsapi.fcc.gov%2ffile%2f106080384619180%2fAS%2520FILED%2520FINAL%2520REDACTED%2520PUBLIC%2520CTA%2520RESPONSE%2520TO%2520FCC_20200608.pdf&c=E,1,SBGSJL6k3OWkD3cJZx-J4aIybof4JmQfQ2RS90SjrbngyUuPnGTbf4hRLqrdqDanvo25DSRBiGw_3Un_t2LZlosMlo3bIcV9W6b02qYVG896&typo=1" \t "_blank) and [China Unicom’s](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fecfsapi.fcc.gov%2ffile%2f1060216799020%2fCUA%2520Response.pdf&c=E,1,7bKKDvlSHE8vsHeDTBQuLpUMaVfui2vB97A79U3T0y2p3ckhag-Qx1bSqk6HvuFjXqwEQBL8bAWLIoAS0ZHSeJ3iYp6Awj_nnyyBbLp7I2yHiQ,,&typo=1" \t "_blank) filings, they said that they have abided by FCC regulations during their time in the United States and pose no threat.
* After Honda was the victim of an outside cyberattack last week, the company will reopen some of its facilities in Ohio this week and restart production.
* Thailand became the newest country seeking new taxes from tech companies on Tuesday. They passed a draft measure that would require foreign providers to pay a value-added tax. This is expected to raise 3B baht or $96M a year.
  + Thai Parliament has still yet to vote on the proposal.
* Nigeria and Egypt both nominated candidates to become the Head of the World Trade Organization (WTO). Egypt nominated former WTO Direct Hamid Mamdouh and Nigeria nominated former Finance Minister Ngozi Okonjo-Iweala.
  + USTR Robert Lighthizer has not publicly supported any candidate.
* The Organization for Economic Cooperation and Development (OECD) released its [latest economic outlook](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.oecd.org%2feconomic-outlook%2f&c=E,1,EfBPv4iPjmqlPTslVxaYEGFKiPVM-ToFTtxfbb_-OnSNkJrwQGWtVShGoRt9Xh97Q_5s2GaZy2ld8Faq3KUffoubTwY-wDe5am1zJjF162SR&typo=1" \t "_blank) with two projections due to the uncertainty provided by the pandemic. One projection assumes a continuing decline in COVID-19 cases and assumes a second wave of infections later this year. Overall, the OECD projected a 7.6% decline in global economic growth this year and that unemployment rates may not even out quickly.
  + For 2021, the OECD projected 5% global economic growth if COVID-19 continues to recede, or 2.8% if there is a second wave. In the U.S., the economy will grow by 4.1% in 2021 if the virus recedes, or by 1.9% in the scenario with a second wave.
* General Motors (GM), along with other automakers with production facilities in North America, pushed the Trump Administration for a six-month grace period in providing the new paperwork needed for tariff waivers under the United States-Mexico-Canada Agreement’s (USMCA) tougher “rules-of-origin” requirements. The company said that as a result, it saved $1B in UMSCA compliance costs.
* United Airlines is requiring passengers to confirm certain information related to their potential exposure to COVID-19 when they check in for a flight, including confirming they have not been diagnosed with the virus in the last 21 days, experienced symptoms in the last 14 days, been denied boarding by a different airline because of health screening in the last 14 days or been in “close contact” with a person who has tested positive for COVID-19.