June 11, 2020

TO: USTOA Members

FR: Terry Dale

Below is our COVID-19 Updates for June 11, 2020:

**Congress**

**Senate Activities**

* The Great American Outdoors Act, H.R. 1957, is pending before the Senate. There are approximately 70 amendments that have been filed by Republicans and Democrats. Right now, the ability to offer amendments has been blocked by Senate Majority Leader Mitch McConnell (R-KY). Senator Mike Lee (R-UT) and others are pushing to allow amendments to be considered. Senator Lee’s push may delay the votes on the bill.
* The Senate Commerce, Science, and Transportation Committee released details of its June 17 hearing on aircraft certification. Earlier this week, family members of those who lost their lives in the Boeing 737 MAX accidents wrote letters asking to be allowed to testify at the hearing. The Committee [announcement](https://www.commerce.senate.gov/2020/6/committee-announces-third-aviation-safety-hearing" \t "_blank) on the hearing, however, only lists Federal Aviation Administration (FAA) Administrator Steve Dickson as a witness.
* The Senate Judiciary Committee authorized subpoenas as part of a Republican-led investigation into the origins of the Russia probe and the appointment of Robert Mueller. The subpoenas were authorized on a party-line vote and subpoena targets include former Federal Bureau of Investigation (FBI) Director James Comey, former Central Intelligence Agency (CIA) Director John Brennan, and former Director of National Intelligence James Clapper.
* The Senate Armed Services Committee voted to favorably report its FY2021 National Defense Authorization Act (NDAA) on Wednesday evening in a 25-2 vote. The topline number on the legislation is reportedly $740.5B. A press release from the committee is [here](https://www.armed-services.senate.gov/press-releases/sasc-complete-markup-of-fiscal-year-2021-national-defense-authorization-act" \t "_blank) and an executive committee summary of the legislation can be found [here](https://www.armed-services.senate.gov/imo/media/doc/FY%2021%20NDAA%20Summary.pdf" \t "_blank).
  + One amendment, which has become public and reportedly approved by voice vote, would require the Pentagon to rename military bases and other assets named after Confederate generals. President Trump has already voiced his opposition to the amendment on Twitter.
  + Additionally, reports indicate that a provision was included in the NDAA related to satellite company Ligado Networks, specifically focusing on the Pentagon issues under the Senate Armed Services Committee’s jurisdiction and demanding further testing and cost estimates surrounding its plans.
* The Senate Budget Committee approved the nomination of Russel Vought by an 11-10 party-line vote to be the Director of the Office of Management and Budget (OMB). The nomination will now go to the Senate floor for debate and a full vote. Senator Chris Van Hollen (D-MD) urged his colleagues to vote no on the nomination after Vought was found to be in violation of federal law for withholding military aid to Ukraine last summer by the Government Accountability Office (GAO), while Vought was the Acting Director of OMB.
  + As a reminder, the Senate Homeland Security and Governmental Affairs Committee approved Vought’s nomination on Wednesday.
* Sens. Ted Cruz (R-TX), Tom Cotton (R-AR) and James Lankford (R-OK) introduced two bills Wednesday to reform the National Environmental Policy Act. One bill, [the Federal Permitting Modernization Act of 2020](https://www.cruz.senate.gov/files/documents/Bills/2020.06.10%20-%20Federal%20Permitting%20Modernization%20Act%20of%202020.pdf" \t "_blank), would create deadlines for agency action under the Fixing America’s Surface Transportation (FAST) Act, while the [other](https://www.cruz.senate.gov/files/documents/Bills/2020.06.10%20-%20NEPA.pdf" \t "_blank) would reduce the timeline to file a petition for judicial review of a permit from 150 days to 90 days.
* Sens. John Cornyn (R-TX), Mark Warner (D-VA), Jim Risch (R-ID), Kyrsten Sinema (D-AZ) and Marco Rubio (R-FL) [introduced the CHIPS for America Act](https://www.cornyn.senate.gov/node/5599" \t "_blank) to help invest billions of dollars into the American semiconductor industry over the next 10 years to compete with China. The U.S. semiconductor industry has long opposed tariffs on Chinese semiconductors, as they felt that it did not spark new domestic production. However, the American semiconductor industry has come out in favor of this bill.
  + According to the Semiconductor Industry Association, the bill will help the United States maintain its lead in chip technology and regain market share.
  + Reps. Michael McCaul (R-TX) and Doris Matsui (D-CA) have introduced a companion bill in the House.
* Sen. John Cornyn (R-TX) is pushing the Senate to pass S.[3612](https://www.congress.gov/bill/116th-congress/senate-bill/3612?q=%7B%22search%22%3A%5B%22s+3612%22%5D%7D&s=1&r=1" \t "_blank) by unanimous consent to make additional changes to the Paycheck Protection Program (PPP) to allow companies to deduct expenses paid for by PPP loans. The Treasury Department issued over $5B in refunds to businesses in May.
  + Both Finance Chair Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) are cosponsoring the bill and said that Congress intended for the PPP to allow for businesses to benefit both from the loans and the tax write-offs. It does not appear the bill will pass before the Senate goes out of session today.
* Amid rumors that President Trump’s Executive Order on technology companies would reduce Democratic support for the EARN IT Act, Sen. Richard Blumenthal (D-CT), the lead Democratic cosponsor, emphasized his and his colleagues’ continued support for the measure.
  + House Energy and Commerce Consumer Protection Subcommittee Chairwoman Jan Schakowsky (D-IL) indicated that she will introduce her bill on Section 230 by the end of the month. Rep. Cathy McMorris Rodgers (R-WA), the top Republican on the subcommittee, noted that she would support Congressional action on Section 230 as well.
* The Senate Energy and Natural Resources Committee announced a June 16th hearing on the impacts of the COVID-19 pandemic on the energy sector. Witnesses for the hearing are not yet public.

**House Activities**

* House Speaker Nancy Pelosi (D-CA) and other Democratic leaders expect to secure the needed votes to pass their police reform bill by the end of the week. The House will return to Washington, D.C. on June 25 to vote on the bill. While Democrats do not need Republican votes for passage, they have been attempting to court moderate Republicans like Rep. Will Hurd (R-TX).
* Speaker Pelosi is calling for the removal of almost a dozen Confederate statues that are in the Capitol building. This is following the forced removals of Confederate statues around the country.
  + Sen. Roy Blunt (R-MO) said that Congress does not have the power to remove these statues, and it is up to the states that sent them to remove them.
* A group of Federal and state New York Republican lawmakers wrote to Senate Majority Leader McConnell to request $4B in additional relief for the Metropolitan Transportation Authority (MTA). The agency expects $8.5B in losses due to the pandemic as transit agencies across the country are struggling with decreased ridership. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/ny-republican-letter-on-mta-funding.pdf).

**Administration**

* President Trump is expected to make an announcement today about the White House’s plan to help the U.S. economy recover, after the Federal Reserve's projections painted a grim outlook for the economy.
* FAA Administrator Steve Dickson commented that the FAA may have to ask Congress for funding assistance from the Treasury’s general fund. The additional funding would help stabilize the Airport and Airway Trust Fund, which has seen a steep revenue drop off due to lower fuel and ticket tax collections.
* The Federal Transit Administration (FTA) [announced](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.transit.dot.gov%2fabout%2fnews%2ffederal-transit-administration-announces-2297-million-improve-transit-access-selected&c=E,1,aEOEmazy-hntCPpLn2vLcX_tCJP81Y4awfJc0pQfqsupAAXxJaR7VsaSqhsH29EjScAP7o3icg4Fg7NUx444t5-zH1QbxLozcarJ5A_Yx0zvO22BBuX-XOQi9n7U&typo=1" \t "_blank) that it has awarded $22.97M to 23 [organizations](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.transit.dot.gov%2fgrants%2fgrant-programs%2ffiscal-year-2020-transit-oriented-development-tod-planning-projects&c=E,1,8g_x4ZYsrQbSNRsO9D1jX0bjZSXOYVxLV1IpeXIbmWK18e0mv7cxmkOmAEoub0oUBysGxKm1xYHGpDy8iE5eo-jy-ryHbLslyXgvMORe81A,&typo=1" \t "_blank) around the country to support projects to improve access to public transportation. The funds are from FTA’s Pilot Program for Transit-Oriented Development Planning.
* United States Trade Representative (USTR) Robert Lighthizer will testify before the House Ways and Means Committee and Senate Finance Committee on June 17th. He will discuss the Trump Administration’s trade agenda.
* According to the U.S. Energy Information Administration (EIA), crude oil production fell by 100,000 barrels per day (bpd) last week, which marked the 11th straight week of decline. This marks a 2M bpd decline in the past three months.
* A new draft environmental impact statement by the U.S. Fish and Wildlife Service would stop airlines from being fined for accidentally killing migratory birds. The statement referenced the 2009 U.S. Airways flight that had to make an emergency landing on the Hudson River. The annual cost of killing wildlife to the aviation industry is $1.28B. The rule can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/fish-and-wildlife-service-rule-on-aviation.pdf).
* The Labor Department reported that another 1.5M Americans filed for unemployment last week. Additionally, 706,000 people applied for benefits under Pandemic Unemployment Assistance, which was created by Congress for those who normally would not be eligible for unemployment benefits. This would bring the total number of claims up to close to 2.5M even though states across the country have begun reopening.
* The U.S. and the United Kingdom (U.K.) are hoping to reach a trade deal before the November 3 election, according to Antony Phillipson, the British Consul General in New York. The discussions for the trade deal formally began in May and the second round are set to begin Monday. USTR Lighthizer said that he wants a robust trade deal with the U.K., though some in Congress have expressed concerns that the Administration may settle for a “mini” trade deal, as they did with Japan.
* President Trump will nominate Anthony Tata to be the Undersecretary of Defense for Policy. Tata is a retired Army Brigadier General and a regular contributor on Fox News.
* Treasury Secretary Mnuchin indicated potential support for an extension of the PPP with changes to ensure that loans go to employers who need them most. Mnuchin’s comment follows statements by Sen. Ron Johnson (R-WI) calling on Congress to pass reforms to stop loans under the PPP from going to businesses who do not require them to maintain operations.
* The Department of Defense will have to use its modernization and readiness budgets to finance COVID-19 relief for their contractors until Congress appropriates more money for fiscal year 2021.
  + Congress authorized a program to reimburse contractors for sick or paid leave for employees who cannot access the facilities where they work. However, they did not appropriate extra money to cover the costs.
* The United States is the only country blocking a digital services tax according to French Finance Minister Bruno Le Maire. The deal, which is being organized through the Organization for Economic Cooperation and Development (OECD), would allow for international taxation of digital companies, many of which are headquartered in the United States.
  + Treasury Secretary Mnuchin has proposed a “safe harbor” which would allow companies to choose whether they are operating under this new tax regime or not. Policymakers from other countries have rejected this idea.
* The Department of Education released its interim final rule that would require colleges to limit emergency COVID-19 relief grants for expenses like food and housing only to students who qualify for federal financial aid, excluding undocumented students. The rule will take effect immediately after it is published in the Federal Register, which is expected to happen in the coming days.
* The Federal Reserve announced Wednesday that it expects U.S. gross domestic product to shrink by 6.5% in 2020 and that unemployment will not drop below 9.3%.
* Federal Register Notices:
  + The Department of Education published a notice of an extension on an existing data collection period on giving Universities federal funds appropriated through the CARES Act. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f11%2f2020-12613%2fagency-information-collection-activities-comment-request-foreign-institution-reporting-requirements&c=E,1,5GnunX8eiDiH4-QmjO0vsBINN7La5YCTOeozmN0LwUcUYw77snNbHvWG4d2V4rAg7FEp4cCZX0s18ljf3EVeFhTXvTtzcICuKNP5A5Ahah-lpkYTlNSTg6mydtDE&typo=1" \t "_blank).
  + The Federal Energy Regulatory Commission (FERC) published a notice of a Commissioner-led Conference on the Impacts of COVID-19 on the Energy industry on July 8-9. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f11%2f2020-12639%2fimpacts-of-covid-19-on-the-energy-industry-supplemental-notice-of-technical-conference&c=E,1,eZ-bi8KbQAFJ756943pzVA-go5WaBu1DAZOULtYaTbgIkm2HL-28Fne7qDpH5ovn0LSw5BaFi8WCYTAxAxlSH0-xTG0P8mucKzyonPRlICN5gp-PiA,,&typo=1" \t "_blank).
  + The Small Business Administration (SBA) posted an interim final rule on the eligibility for certain telephone cooperatives under the PPP. The rule can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f11%2f2020-12639%2fimpacts-of-covid-19-on-the-energy-industry-supplemental-notice-of-technical-conference&c=E,1,jQ5TUGI0vENO-O6bqmgkHkbl5ab-s7qHPTj65bGhw3fymzd9CPbfSs-5vV4-OWF96sXXe6vb4OuGM5Jui2JhZP96w_EEPTDG-9UlZE12lohsZj30A_N6My0WVg,,&typo=1" \t "_blank).
  + The Department of Transportation posted a notice and request for comments on their workplace guidelines for alcohol and drug testing. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f11%2f2020-12612%2fagency-information-collection-activities-requests-for-comments-clearance-of-a-renewed-approval-of&c=E,1,o9fGbHzsoc4_Lh8zn6CR708JDgqnunUobYcqaTLiIyuOfYRpY29kK13gMhwgi8Irq-OZnYZ61h4FOvXZN3-67G7WrrX03jFXrE12yyn26umTPbpOmAuohNhf8KA,&typo=1" \t "_blank).

**Other News**

* The D.C. Circuit U.S. Appeals Court denied the AFL-CIO's request to require the Occupational Safety and Health Administration (OSHA) to issue mandatory coronavirus workplace safety rules. To date, OSHA has issued recommendations, but not enforceable rules under an emergency temporary standard, something the AFL-CIO and other unions requested in March.
* Boeing is expected to conduct a recertification flight for its 737 MAX later this month. Boeing has sent revised pilot training programs to airlines. As a reminder, the 737 MAX has been grounded for 15 months after two accidents involving the aircraft.
* The U.S. solar market had its largest first quarter on record this year, according to a new report. The report also predicted 33% annual growth in 2020.
* The European Union will allow tourists and non-essential travel beginning July 1st. However, travelers from high-risk countries, including the United States, will not be permitted initially. There is no current date in place to allow United States citizens back into Europe for non-essential travel.
* Ford, General Motors, and Volkswagen said that their production is back to full capacity in the United States.
* Doctors at Northwestern Medicine in Chicago performed the first known lung transplant for a COVID-19 patient. Doctors said the woman would not have survived without the transplant and her long-term prognosis is positive following the transplant.
* Governors around the country are rejecting implementing new lockdowns as cases of COVID-19 spike around the country. In Texas, Governor Greg Abbott is allowing almost all businesses to reopen despite cases rising by a third in the past week. North Carolina Governor Roy Cooper said that implementing new restrictions would be a last resort.
  + Utah is the only state who paused their reopening plans due to a two-week spike of new cases.
* The American Federation of Government Employees Council 238 (AFGE), which represents 7,500 Environmental Protection Agency (EPA) employees, asked the agency to stop reopening their offices until the impacts of COVID-19 are more “predictable.” In a letter to the EPA, AFGE’s President cited a lack of transparency on reopening plans and lack of employee consultation on how these plans would look. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/afge-letter-6-11.pdf).
  + The EPA pushed back and said they have consulted the Unions and are following Centers for Disease Control and Prevention (CDC) guidelines for reopening.
* The American Apparel and Footwear Association (AAFA) wrote a letter to Congress asking them to renew the African Growth and Opportunity Act. The act ensures predictability in American investment in the region and gives 39 sub-Saharan African countries duty-free access to the U.S. market for thousands of goods. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/aafa-letter-6-11.pdf).
  + The Act currently expires in 2025, but AAFA’s President wrote in the letter that this would signal an ability to work together for the long term as President Trump begins trade deals with countries in Africa.
* Two think tanks, the American Action Forum (AAF) and R Street, released separate papers criticizing “Buy America” proposals by the Administration and Congress in regard to moving drug manufacturing supply chains back to the United States.
  + AAF [wrote](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.americanactionforum.org%2finsight%2fthe-economic-impact-of-a-buy-american-mandate-for-medical-goods%2f&c=E,1,m7IaOt4sihj8SZ9a0L02sviV2M2vVoRBiPjJriR8Eo-5B4OmS9mL5D39gQ5TG6JjuPbuAbCW7aOX-nqMqOW7Pm7jsh7DhzQ_4Pnr9whyWXWFVV7uGdGSnTAF7EFMWA,,&typo=1" \t "_blank) that the current Administration plans would not significantly reduce drug imports and would boost costs and reduce the availability of some medicine.
  + R Street [wrote](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.rstreet.org%2fwp-content%2fuploads%2f2020%2f06%2fFinal-No.-197-Protectionism-in-Pharma-Supply-Chain.pdf&c=E,1,xgZ-u8KLY0Rvu9rYEQBdoYKdAkjfQ6fYdVPxwBao04dPu8OVPeFuCY-EbNXtSvZhU_cPP0wHzwhFHxqP1sAYZRPI0YQNuMsv8CdxAPqEvuXQMMA,&typo=1" \t "_blank) that Congress’ proposal left more to be desired and that there were better ways to improve the supply chain and provide incentives to bring manufacturing back to the United States.
* The Technology Coalition, an 18-member group including major tech companies like Facebook, Google, and Apple, is pledging millions of dollars towards a research and innovation fund to create tools to eradicate and prevent child abuse online. The group will also publish an annual progress report.
  + The move comes amid the bipartisan introduction of the EARN It Act to roll back section 230 of the Communications Decency Act, which provides a liability shield for tech companies.
* The American Road and Transportation Builders Association created a [dashboard](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.artba.org%2feconomics%2ffederal-investment%2f&c=E,1,_fy74Q0BlkYV6LCtlAaxg6gy6tuzJChRJrzIfWPkUxL3DiRSkCMRYvtudsnmZBkDK2XOWxesurJOQTuQYj8Z-rcHY8F3vCU6707f2Jm5uqRx0cUbpogTLQHJAUA,&typo=1" \t "_blank) outlining each states’ use of Federal highway funds in fiscal year 2018. The dashboard also provides analysis on what kinds of projects the funds were used on.