June 16, 2020

TO: USTOA Members

FR: Terry Dale

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Below is our COVID-19 Update for June 16, 2020:

**Congress**

**Senate Activities**

* Senate Commerce, Science, and Transportation Committee Chairman Roger Wicker (R-MS) and Ranking Member Maria Cantwell (D-WA) introduced the Aircraft Safety and Certification Reform Act of 2020. The legislation includes provisions to improve aviation safety and address lessons from the Boeing 737 MAX crashes. A joint press release on the legislation can be found [here](https://www.commerce.senate.gov/2020/6/wicker-cantwell-introduce-bipartisan-aviation-safety-legislation" \t "_blank). Bill text is available [here](https://www.commerce.senate.gov/services/files/D77B2879-F3DB-40F8-8450-94EB20415EA8" \t "_blank).
* In a late addition to the witness list for tomorrow’s Senate Commerce, Science, and Transportation Committee hearing on aviation certification, Michael Stumo, whose daughter Samya died in the Ethiopian Airlines Boeing 737 MAX crash last year, will testify alongside Federal Aviation Administration (FAA) Administrator Steve Dickson. The change comes as family members of victims of the Boeing 737 MAX crashes pushed to be allowed to testify.
* Senate Majority Whip John Thune (R-SD) said that Senator Tim Scott’s (R-SC) proposal on police reform will come out at the end of this week and could be brought to the floor as early as next week. As a reminder, previous timing on consideration of the legislation was thought to be after the July 4 recess.
* Federal Communications Commission (FCC) Chairman Ajit Pai testified before the Senate Appropriations Subcommittee on Financial Services today. The hearing focused on the FCC’s airwave auctions and telehealth and remote learning funds. Our coverage can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-16-20-senate-appropriations-finserv-gengov-subcommittee-hearing-on-fcc-spectrum-auctions.pdf).
* Senate Democrats continue to oppose the nomination of Nancy Beck to be a Commissioner and Chair of the Consumer Product Safety Commission. They are reportedly planning on targeting moderate Senators in an attempt to get them to flip their vote and block the nomination, including Sens. Thom Tillis (R-NC), Lisa Murkowski (R-AK), and Shelley Moore Capito (R-WV).
* During today’s Senate Energy and Natural Resources Committee hearing on the impact of COVID-19 on the energy sector, Jackie Roberts, President of the National Association of State Utility Consumer Advocates, commented that Congress should consider offering additional money to help consumers pay utility bills. Roberts added that investor-owned utilities can rely on capital markets to offset losses due to the pandemic, but municipal utilities and electric co-ops cannot.
* Though complete bill text is still unavailable, details about individual provisions included in the Senate National Defense Authorization Act (NDAA) continue to surface piecemeal. One such provision, proposed by Sen. Tom Cotton (R-AR), would provide $10M to speed up preparations in case the United States decides to resume nuclear testing.
* Senate Armed Services Committee Ranking Member Sen. Jack Reed (D-RI), as well as Armed Services Committee Members Elizabeth Warren (D-MA), Kirsten Gillibrand (D-NY), Mazie Hirono (D-HI), Gary Peters (D-MI) and Richard Blumenthal (D-CT) will all oppose the nomination of Anthony Tata to be the Undersecretary of Defense for Policy due to past statements, including remarks aimed at President Barack Obama.
* Reports indicate Senate Finance Committee Republicans are increasingly supportive of providing businesses relief by allowing them to claim Federal tax credits that they normally would not be eligible for until future years.
  + Under current law, corporations cannot claim federal tax credits if the credits exceed their overall tax liability but are allowed to roll them into future years.
  + The proposal being discussed would eliminate that limit and allow businesses to claim all their federal tax credits this year. While it is unclear which Republicans are discussing the proposal at this time, accelerating the use of business credits may prove difficult to garner bipartisan support.

**House Activities**

* The Select Committee on the Coronavirus Crisis [launched an investigation](https://coronavirus.house.gov/news/press-releases/clyburn-launches-sweeping-investigation-widespread-coronavirus-deaths-nursing" \t "_blank) into the five largest for-profit nursing home companies in the United States for their high COVID-19 death rates. Further, the Committee will investigate how the Centers for Medicaid and Medicare Services (CMS) responded to nursing homes requests for supplies and the Federal government’s response to those requests.
* The House of Representatives will vote on a bill to give Washington D.C. statehood on Friday June 26. If passed, it will be the first time in Congressional history that a Chamber of Congress passes legislation granting Washington D.C. full representation in Congress. It is unlikely that the legislation will be considered in the Senate as both Senate Majority Leader Mitch McConnell (R-KY) and President Trump have voiced their opposition to D.C. statehood.
* The House Judiciary Committee will mark up House Democrats’ police reform legislation tomorrow. The legislation is expected to pass the House and may garner limited bipartisan support. It is unclear, however, how the House and Senate will reconcile their differences on the proposed police reform measures and what will ultimately be passed by Congress.
* 180 House Democrats, led by Reps. Earl Blumenauer (D-OR), Matt Cartwright (D-PA) and Mike Levin (D-CA) sent a letter to Democratic House Leadership asking them to prioritize the “decimated” clean energy sector in future COVID-19 relief bills. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/clean-energy-letter.pdf).
* The House Transportation and Infrastructure (T&I) Committee will mark up H.R. 2, the INVEST in America Act, tomorrow. Currently, over 200 amendments have been filed to the bill including the Republican [substitute amendment](https://transportation.house.gov/imo/media/doc/Graves%20MO%20ANS.pdf" \t "_blank). As a reminder, Republicans were not involved in the initial drafting of the legislation and their substitute is a pared-down version of a reauthorization.
  + It is also important to note that the House Ways and Means Committee has yet to introduce a funding measure to pay for the INVEST in America Act.
* House Energy and Commerce Subcommittee Chairwoman on Consumer Protection Jan Schakowsky (D-IL) and Senate Commerce, Science, and Transportation Subcommittee on Manufacturing, Trade and Consumer Protection Ranking Member Richard Blumenthal (D-CT) [wrote a letter](https://www.blumenthal.senate.gov/imo/media/doc/2020.06%20-%20FTC%20-%20230%20EO%20-%20FINAL%20.pdf" \t "_blank) to Federal Trade Commission (FTC) Chairman Joseph Simons regarding the lawmakers’ concern over FTC independence from the White House following President Trump’s Executive Order on social media and Section 230.
* House Speaker Nancy Pelosi (D-CA) called on advertisers to pressure social media companies to counteract misleading information on their platforms more diligently, suggesting some should drop paid messages on the sites altogether.
  + Speaker Pelosi stated that “we need to empower advertisers to continue to object and to use their power to hold social media companies accountable for their bad behavior.”

**Administration**

* President Trump signed an [Executive Order](https://www.whitehouse.gov/presidential-actions/executive-order-safe-policing-safe-communities/" \t "_blank) to confront police officer misconduct.
  + The Executive Order will establish a database on police misconduct, urge social workers and mental health professionals to work on the front lines with police officers and offer new guidelines for training.
* The National Highway Traffic Safety Administration (NHTSA) [launched](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.nhtsa.gov%2fautomated-vehicles-safety%2fav-test&c=E,1,BKnPCaqU0QMNZ25GzqHXrwqgxgAKLifbMqnHenbBuh94dYMDLbwwgik--wdkKEMtTjcjqZWNgyHH0346Q158KZp2B71k7ya1FVP71ZiuKJk,&typo=1" \t "_blank) a new autonomous vehicle testing initiative on Monday. The program, which includes nine companies and eight states, will send information into a central platform to show where and when companies are testing autonomous vehicles.
  + Department of Transportation (DOT) Secretary Elaine Chao said this program is voluntary and non-regulatory.
  + Federal Highway Administration (FHWA) Administrator Nicole Nason said that the agency will release proposed changes to the Manual on Uniform Traffic Control Devices for Streets and Highways in anticipation of autonomous vehicles. Nason noted that the manual has not been updated since 2009 and does not account for autonomous vehicles.
* The U.S. and Mexico have extended their travel restrictions until July 21.
* Secretary of State Mike Pompeo is set to meet with top Chinese diplomat Yang Jiechi in Hawaii on Wednesday. The meeting has no public agenda and is the first meeting of major diplomats of the two countries since tensions have risen due to COVID-19 and trade issues.
* DOT announced on Monday that the United States could begin resuming flights to China after the Chinese government reversed their order to allow flights into the United States. Both are capping the amount of flights between the countries at four a week.
* Several federal inspectors general on the Pandemic Response Accountability Committee (PRAC) wrote a letter to Congress saying there was ambiguity in the CARES Act that allowed the Administration to sharply limit how much of the law’s spending requirements they must collect and report. Further, the letter complained that due to the Administration’s interpretation of the law, that PRAC’s oversight powers were severely limited. A copy of the letter has not been released.
* The Small Business Administration (SBA) has restarted accepting applications for Economic Injury Disaster Loans, as well as issuing advances up to $10,000. The program was suspended in April after its funds were exhausted.
* Customs and Border Protection (CBP) will need additional funding to avoid furloughs before the end of the fiscal year due to a $400M fee funding shortfall, according to Tony Reardon, the President of the National Treasury Employees Union, which represents CBP employees. According to Reardon, these fees fund 40% of the agency’s operation budgets, including 8,000 officer positions.
* The Federal Reserve announced that it will start buying debt from large corporations to help the economy recover from COVID-19. Specifically, they are expected to create an index of U.S. corporate bonds that they will purchase on the open market as long as they meet eligibility standards, which will spare companies from having to seek aid directly from the central bank.
* The Consumer Financial Protection Bureau (CFPB) released frequently asked questions (FAQs) today that will help ensure that consumers receive the credit reporting protections required by the CARES Act. CFPB previously issued a statement informing lenders that they must comply with the credit reporting requirements of the CARES Act. The full FAQs can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2ffiles.consumerfinance.gov%2ff%2fdocuments%2fcfpb_fcra_consumer-reporting-faqs-covid-19_2020-06.pdf&c=E,1,nHJ9QO9EtCDpK4ujqStJNCn8oQQnPmHwpx9FQJpQjnc1svYlMiZpNooWHl5_nN67nXllReUpyEoihf5CvuXTTPHG25QB__fu5FEpS2HnYtu1aodseVPh7P0,&typo=1" \t "_blank).
* Today, CBP posted [Updated Interim Implementing Instructions](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.cbp.gov%2fsites%2fdefault%2ffiles%2fassets%2fdocuments%2f2020-Jun%2fUpdated%2520USMCA%2520Interim%2520Implementing%2520Instructions%2520-%25202020%252006%252016.pdf&c=E,1,HFJ8tEY0v499t_f75hOKxuK7297Lr1q9yltAbuRXDrSaEuQlbmxjBGhBK0jOrTzqMdYdw-oEXkUdxVh_8g6HFAoeASphydGOrczIFUtaSuR1Sb0iLGeGMZ4f0w,,&typo=1" \t "_blank) for the United States-Mexico-Canada Agreement (USMCA), meant to provide informational and early guidance on the new requirements under the USMCA, including information on claiming USMCA preferential treatment for goods. This version of the document replaces the Interim Implementing Instructions issued on April 20, 2020.
* Export-Import Bank (EXIM) President and Chairwoman Kimberly Reed addressed more than 150 members of the American Society of Association Executives (ASAE) on Monday. Chairwoman Reed discussed EXIM’s COVID-19 relief measures and reaffirmed the agency’s continuing commitment to supporting U.S. businesses and jobs as the country reopens and the American economy rebounds. The full press release can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.exim.gov%2fnews%2fchairman-reed-addresses-american-society-association-executives-leadership-exim%25E2%2580%2599s-role&c=E,1,jOvRb3oqSgJ6GtO5g2flfKXOKNNxn0WpR57Zu4oKE854nBc1-UVFysIROxu3SvC9EfmizpxR7YlvKR6fbVzr8Ohg4w-qPcrGJaHvp5yzWVvI&typo=1" \t "_blank).
* Federal Register Notices:
  + The Federal Energy Regulatory Commission provided guidance regarding the their response to the effects of the national emergency caused by COVID-19 on oil pipelines. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f16%2f2020-12945%2fcommission-action-to-address-effects-of-covid-19-on-oil-pipelines&c=E,1,Z_lRoOF7y5G7SaetvWHq4QhndCyugCnPmV1Et_UD55ldggpD60qJPU3ONJBlXKWAyW7vQPTF4rhRqPxoN2HPEZfhWGm1N70P63OyAK4vqys,&typo=1" \t "_blank).
  + The National Telecommunications and Information Administration extended the comment deadline for comments to inform the development of an Implementation Plan for the National Strategy to Secure 5G from June 18, 2020, to June 25, 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f16%2f2020-12960%2fthe-national-strategy-to-secure-5g-implementation-plan&c=E,1,8cbtOdITKBxfOV_gHgyZgmAL8x9fHd5hyLfzP_Ds2kj6s9Nnk-90-XNPFE7rSwgY_Et34nXi-Snd9Jvs6FzBuqAGGkRycAhyRmR8WBd__jRr&typo=1" \t "_blank).
  + The U.S. Nuclear Regulatory Commission issued 16 exemptions in response to requests from 12 licensees, which allow for temporary relief from certain requirements. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f16%2f2020-12961%2fissuance-of-multiple-exemptions-in-response-to-covid-19-public-health-emergency&c=E,1,ccLPiNKOI0OoYP-YdKssz2e9wNU0_FkFqYr0PTTIV3ZAEhRu8uVmHYxrfXI-QSDzaCoUyal7STrEV2o99tyst0YsHU8dmJ2FThdTmbTm7TfWCNG8&typo=1" \t "_blank).
  + SBA amended the loan maturity, deferral of loan payments, and forgiveness provisions of the Paycheck Protection Program in accordance with the Paycheck Protection Program Flexibility Act of 2020. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f16%2f2020-12909%2fbusiness-loan-program-temporary-changes-paycheck-protection-program-revisions-to-first-interim-final&c=E,1,FelAFX0JI9u2Hs4jh4NUJ2NrUaUDSSCbNWfMDV_GfWap7PJwyTMtc72Q7otR3y9H4KJ1iUcZ4ZDLutVbseS2U-N3PnSTl3BFWN-LeRGiyg,,&typo=1" \t "_blank).

**Other News**

* In a letter to T&I Chairman Peter DeFazio (D-OR), Pat Foye, Chairman and CEO of the New York Metropolitan Transportation Authority (MTA), expressed his objection to H.R. 2, the INVEST in America Act. Foye said that MTA opposes the bill due to a formula in the bill for appropriating Federal Transit Administration (FTA) funds, which Foye claims penalizes bigger transportation systems like MTA. The letter can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-16-20-mta-letter.pdf).
* Mexico’s Trade Ambassador Martha Barcena said that Mexico has not received any complaints on new supply chain disruptions. Leaders from the U.S. Chamber of Commerce had previously expressed concerns that Mexico’s large-scale factory shutdowns would cause supply chain problems.
  + Barcena also expressed Mexico’s desire to work with the United States and Canada in the aftermath of the COVID-19 pandemic to help bring more manufacturing production and sourcing back to North America.
  + Barcena highlighted pharmaceuticals, medical equipment and the “transformation of the automotive sector to new kinds of cars like electric” as three areas the countries can work on.
* European Union Commissioner for Trade Phil Hogan released a [concept paper](https://trade.ec.europa.eu/doclib/docs/2020/june/tradoc_158776.pdf?utm_source=POLITICO.EU&utm_campaign=bd6c3542e2-EMAIL_CAMPAIGN_2020_06_15_04_03&utm_medium=email&utm_term=0_10959edeb5-bd6c3542e2-189793593" \t "_blank) to facilitate trade in health care products. The paper is an outline of ways to abolish tariffs on pharmaceutical and medical goods, organize global cooperation during times of health crises and improve World Trade Organization trade rules regarding essential goods.
* United Kingdom Prime Minister Boris Johnson asked the European Union to finish their discussions on a post-Brexit trade deal by early August. The deal needs to be finalized before the Brexit transition period in December 2020.
* The Mercatus Center [released a study](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.mercatus.org%2fbridge%2fcommentary%2fcoronavirus-exception&c=E,1,l0vtdaQdrkl7r1o2qu8YQP3L5xjiE7cFUw2pXxUEmWfK4vYEDGHW9c4oPU9GKSRHOCs1t8jl955YH-q5KFaqeBWAZVHvnZv0Z_BxBiTJlS3FdbRrdv2Fj1X2xqCD8w,,&typo=1" \t "_blank) examining Trump’s rejections on relief from tariffs on over $350M worth of Chinese goods. The study examined over 53,000 requests for tariff relief.
* A new prediction by Bloomberg expects at least one fifth of states will see their tax revenue collected drop by at least 30% due to COVID-19.
  + The research also found that states will see collections decline by an average of 20% and that New York, the state hardest hit by COVID-19, will top the list with revenues expected to fall 40%.
  + Other states that will likely cross the 30% threshold include Maine, Hawaii, Massachusetts, California, Georgia, New Jersey, Nevada, North Dakota and Connecticut. The study predicts that Alaska, South Dakota and Washington, D.C. will see less impact than others.
* The surface transportation reauthorization (H.R. 2), in its current form, would prevent Amtrak from enforcing a mandatory arbitration clause for its passengers. The language in the bill specifically states that Amtrak "may not impose a choice-of-forum clause that attempts to preclude a passenger, or a person who purchases a ticket for rail transportation on behalf of a passenger, from bringing a claim against Amtrak" in a court of law.
* More than 100 leading economists, including former Federal Reserve Chair Janet Yellen and Obama Administration Council of Economic Advisers chairs Austan Goolsbee and Jason Furman, called on Congressional leadership to provide additional unemployment aid, state and local pandemic relief and more.
* Federal Reserve Chairman Jerome Powell told the Senate Banking Committee during a hearing today that a full economic recovery is unlikely until Americans are confident that COVID-19 is contained.