June 24, 2020

TO: USTOA Members

FR: Terry Dale

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Below is our COVID-19 Update for June 24, 2020:

**Congress**

**Senate Activities**

* S. 3985, the JUSTICE Act, failed a procedural vote today by a tally of 55-45, complicating the prospects for police reform this Congress. As expected, all Senate Democrats, except Sen. Doug Jones (D-AL), Sen. Joe Manchin (D-WV) and Sen. Angus King (I-ME), voted against allowing the legislation to proceed. All Republicans voted to proceed to the bill. Senate Majority Leader Mitch McConnell (R-KY) changed his vote to no to allow him to bring the bill back up without further procedural hurdles.
  + Senate Minority Leader Chuck Schumer (D-NY), Sen. Kamala Harris (D-CA), and Sen. Cory Booker (D-NJ) wrote a [letter](https://static.politico.com/9a/da/6c9900e54ccbb0534a99676595fb/booker-harris-schumer-letter-to-mcconnell.pdf" \t "_blank) to Majority Leader McConnell that argued the JUSTICE Act does not go nearly far enough, even as a starting point for negotiations.
* The Senate will now turn to consideration of S. 4049, the National Defense Authorization Act for Fiscal Year 2021 (NDAA). A large number of amendments will likely be offered to the NDAA before a vote on final passage, but Senate Republicans intend to complete consideration of the bill before leaving for the July 4 recess.
  + Bill text can be found [here](https://www.congress.gov/116/bills/s4049/BILLS-116s4049rs.pdf" \t "_blank).
  + Report language can be found [here](https://www.armed-services.senate.gov/imo/media/doc/FY%202021%20NDAA%20-%20Report.pdf?source=email" \t "_blank).
  + Summary funding tables can be found [here](https://www.armed-services.senate.gov/imo/media/doc/S4049%20-%20FY%202021%20NDAA%20Funding%20tables.pdf" \t "_blank).
* Sen. Martha McSally (R-AZ) introduced S. 4031, the American TRIP Act. The legislation would:
  + Provide a $4,000 travel credit for individuals, and $8,000 for joint filers (plus an additional $500 credit for dependent children), for 2020, 2021 and 2022.
    - This credit would apply to all travel within the United States and its territories, so long as the travel and expenses and final destination are 50 miles from the principal residence of the filer(s).
    - Qualified expenses for the credit would include lodging, travel, and entertainment.
    - For filers who own a second home, expenses related to live entertainment, food and beverage, and transportation would qualify, but expenses related to the dwelling would not qualify (mortgage, interest, maintenance, etc.).
  + Provide $50M to help Destination Marketing Organizations (DMOs) promote travel and tourism across the nation.
    - It is not clear what the prospects for the bill are at this point.
* Sen. John Cornyn (R-TX) introduced S. 4041, the SAVE Jobs Act. Bill text can be found [here](https://ustoa.com/r/ustoa-filemanager/source/resources/s-4041-save-jobs-act.pdf). According to a [press release](https://www.cornyn.senate.gov/node/5619" \t "_blank), the legislation would:
  + Allow more carbon capture projects to break ground by extending the commence construction window for the 45Q tax credit by one-year.
  + Allow energy companies to build liquidity by:
    - Suspending certain capitalization rules, allowing taxpayers to immediately expense certain direct and indirect costs, such as inventory, that would otherwise be required to be capitalized in 2020.
    - Reducing the required deposit of certain motor fuel excise taxes paid every two weeks by taxpayers from 95% to 25%, without reducing the total tax liability these companies owe the government.
    - Allowing taxpayers to expense 100% of the cost of intangible drilling costs in 2020.
  + Provide immediate relief to those with leases on federal lands and waters by:
    - Streamlining existing authority to grant lease extensions, suspensions of production, and suspensions of operations during the pandemic.
    - Simplifying the existing process for royalty rate reductions to provide more timely relief during the pandemic.
    - Delaying the deadline for recalculation of royalty payments under the 2016 ONRR Valuation Rule until July 1, 2022.
* Sens. Brian Schatz (D-HI) and John Thune (R-SD), the Ranking Member and Chairman of the Subcommittee on Communications, Technology, Innovation and the Internet, introduced the Platform Accountability and Consumer Transparency (PACT) Act today.
  + The legislation would update Section 230 of the Communications Decency Act and would strengthen transparency in the process online platforms use to moderate content and hold those companies accountable for content that violates their own policies or is illegal.
  + A full press release from the sponsors of the legislation can be found [here](https://www.schatz.senate.gov/press-releases/schatz-thune-introduce-new-legislation-to-update-section-230-strengthen-rules-transparency-on-online-content-moderation-hold-internet-companies-accountable-for-moderation-practices" \t "_blank) and [here](https://www.thune.senate.gov/public/index.cfm/press-releases?ID=A175FBFE-98F7-4B8F-9F9C-29B9289CEE74" \t "_blank).
* Sens. Chris Van Hollen (D-MD), Jeanne Shaheen (D-NH) and Chris Coons (D-DE) along with Reps. Peter Welch (D-VT) and David McKinley (R-WV) introduced the HOPE for HOMES Act of 2020 in their respective chambers. According to a [press release](https://welch.house.gov/media-center/press-releases/welch-mckinley-van-hollen-shaheen-and-coons-introduce-legislation-cut" \t "_blank), the legislation would:
  + Create rebates for homeowners to invest in energy efficiency improvements, including:
    - $800 to add insulation to their home.
    - $1,500 for adding insulation and replacing part of their HVAC system.
    - $2,000 for retrofits that lead to savings of 20-40% of whole-house energy use.
    - $4,000 for retrofits that save at least 40% of whole-house energy use.
  + Double the rebate amount for moderate income families.
  + Authorize $500M in grants to help develop training curriculums and assist companies in providing financial incentives to contractors to undertake online training to advance their capabilities to efficiently retrofit homes.
  + Provide $1,000 per employee rehired, up to $10,000 total, to contracting companies willing to cover the costs of training and technology upgrades needed to achieve online learning.
  + Provide a $1,000 stipend to contractors who complete the HOPE Training and are prepared to advance their careers and help homeowners with home retrofits.
* The Senate Commerce, Science, and Transportation Committee held a hearing on Oversight of the Federal Communications Commission today. Our coverage is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/2020-06-24-senate-commerce-fcc-oversight-hearing.pdf). All five commissioners, including Chairman Ajit Pai, testified. Topics discussed during the hearing included addressing the digital divide, the United States’ increased reliance on telehealth, addressing the need for updating infrastructure, the Ligado deal, replacing the already existing Huawei and ZTE infrastructure to get 5G off the ground securely, and Section 230.

**House Activities**

* The House Rules Committee cleared both H.R. 7120, the George Floyd Justice in Policing Act of 2020 and H.R. 51, the Washington, D.C. Admission Act, allowing for House floor consideration. According to Majority Leader Steny Hoyer (D-MD), the House will vote on the George Floyd Justice in Policing Act of 2020 tomorrow and will move to the Washington, D.C. Admission Act on Friday.
* The House Judiciary Committee held a hearing on the Department of Justice’s antitrust probe into the agreement between California and Ford, Volkswagen, Honda, and BMW on voluntary emissions standards. The hearing featured testimony from John Elias, a career employee at the Department of Justice, who acted as a whistleblower on this issue.
* Amendments have begun to be filed to H.R. 2, the Moving Forward Act, on the [House Rules Committee website](https://rules.house.gov/bill/116/hr-2" \t "_blank). As of the writing of this update, 66 amendments have been filed, but Elevate expects that many more will be filed by the time the amendment window closes tomorrow morning at 10:00 AM. The legislation is expected to pass the House next week with little, or no Republican support as Republicans have not been involved at all in the crafting of the legislation.
* The House Committee on Energy and Commerce Subcommittees on Communications and Technology and Consumer Protection held a joint hearing on disinformation in social media. The hearing featured testimony from:
  + Brandi Collins-Dexter, Senior Campaign Director, Color of Change
  + Hany Farid, Professor, University of California, Berkeley
  + Spencer Overton, President, Joint Center for Political and Economic Studies, Professor of Law, George Washington University
  + Neil Fried, Former Chief Counsel for Communications and Technology, Energy and Commerce Committee, Principal, Digital Frontiers Advocacy

**Administration**

* The Department of Commerce initiated a major trade remedy case that could lead to steep anti-dumping and countervailing duties on almost $4B of tire imports from South Korea, Vietnam, Thailand and Taiwan. As part of this case, the Department of Commerce is also investigating whether currency practices by Vietnam are further subsidizing the country’s tire exports.
  + The case has to clear a vote at the U.S. International Trade Commission to advance. The vote is scheduled for July 17.
  + The case has bipartisan support in the Senate from Sens. Rob Portman (R-OH), Sherrod Brown (D-OH), Richard Burr (R-NC), Todd Young (R-IN), Kirsten Gillibrand (D-NY), Tim Kaine (D-VA), Mike Braun (R-IN), John Boozman (R-AR), Mark Warner (D-VA), Doug Jones (D-AL) and Minority Leader Chuck Schumer (D-NY). The letter is [here](https://ustoa.com/r/ustoa-filemanager/source/resources/6-24-20-senate-letter-on-tire-imports.pdf).
* Treasury Secretary Steven Mnuchin indicated he may further delay the tax filing deadline beyond July 15. Internal Revenue Service Commissioner Chuck Rettig will testify before the Senate Finance Committee next week on tax filing deadlines.
* Over 13,000 employees of the U.S. Citizenship and Immigration Services (USCIS) could be furloughed until August 3, beginning on Wednesday, unless Congress provides them more funding. USCIS, like other Federal agencies that rely on fees for revenue, has struggled immensely due to the COVID-19 pandemic.
* The Treasury Department issued updated frequently asked questions (FAQ’s) about COVID-19 relief. The FAQ’s can be found [here](https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf" \t "_blank).
* Treasury Secretary Mnuchin expects the next COVID-19 relief package to be more targeted, focused on jobs and children. He also stated that it could include another round of stimulus checks. This indicates that Mnuchin will likely be a lead negotiator on behalf of the Administration.
* The Office of the United States Trade Representative (USTR) published a list of $3.1B worth of European goods that could be hit with retaliatory tariffs due to European government subsidies for Airbus. The goods on the list include beer, gin, vodka, olives and chocolates. The list and full order can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fustr.gov%2fsites%2fdefault%2ffiles%2fenforcement%2f301Investigations%2fReview_of_Action_Enforcement_of_U.S._WTO_Rights_in_Large_Civil_Aircraft_Dispute_June_23_2020.pdf%3fsource%3demail&c=E,1,ZkrS7DcgsMVN-U6pJ7zofo7kWckzlooheFx0YS1HOVuYr_RXKvGczZZpzjMT5wWTxlW2AFK1BvEwZc_m5-IkTWQnV4WUydy7XYX1nNH-ixRCOjzzw3EXRw,,&typo=1" \t "_blank).
  + This is in addition to the $7.5B in retaliatory duties that are already in place on European goods.
* The Chairman of the White House Council of Economic Advisers, Tomas Philipson, is departing at the end of June. Philipson took over in July 2019, after serving as a member of Trump’s three-person council for almost two years. The former chair, Kevin Hassett, recently returned to the White House for an unpaid assignment to advise the President during the economic downturn caused by COVID19. He is also departing after concluding this temporary work.
* The Administration announced plans to end Federal funding of 13 drive-thru COVID-19 testing sites on June 30, urging states to handle operations going forward. The sites are spread across five states, according to the Department of Health and Human Services (HHS), and are the remainder of the Federal testing program established earlier in the pandemic. Seven of the 13 are in Texas.
* According to the U.S. Energy Information Administration, U.S. crude oil production rose for the first time in three months last week. Production rose 500,000 barrels per day to reach 11M barrels per day for the week ending June 19. This is still below the 13M barrels per day produced before the pandemic.
* Federal Register Notices:
  + The Department of Education issued a notice of an Application for New Awards Deadline Date for the Higher Education Emergency Relief Fund (HEERF) and the CARES Act grant money. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13645%2fapplication-for-new-awards-deadline-date-higher-education-emergency-relief-fund-heerf-sections&c=E,1,WTBr5PHlPrfBP2OifgbQuWjqeBE-8BYkY6sCSkk3MqSgXF8hxqq9uGe60FDdUPT6JD-2vAQXJNI70blWgrGBTROxT1f-X6dt0CJlBmIO5_UEAmRAPHdpOg,,&typo=1" \t "_blank).
  + The Federal Aviation Administration (FAA) issued a notice of the Next Gen Advisory Committee renewal. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13599%2fnextgen-advisory-committee&c=E,1,ls0kHvvstSYMddX7hgGpPpj1vhGL8UH6A3hQcDf85fkjWlLXmpuooDVJhtNTm7rwggo3RLjp7HIaelEotfR9w6D_1ai2spoP6z7wS0AliEwKt-QX3uhnIVv5KQ,,&typo=1" \t "_blank).
  + FAA issued a notice of a public meeting for the Research, Engineering and Development Advisory Committee. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13556%2fresearch-engineering-and-development-advisory-committee-redac-notice-of-public-meeting&c=E,1,ziwjLwY2GL0UjonukV6iRmrcwNdqjvVAkDSNoLz4VAq4vAp_4YcI1G7bSIIlXGmnqPuRfZJw2XdE2EhkbEBq19J1qm918PMnsALbs8Qzyh9uH3-zS2Xjbg,,&typo=1" \t "_blank).
  + The Federal Energy Regulatory Commission issued a notice of inquiry on the Potential Enhancements to the Critical Infrastructure Protection Reliability Standards. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13618%2fpotential-enhancements-to-the-critical-infrastructure-protection-reliability-standards&c=E,1,yoCFAdSLReTkcaTS7CFNPNGWmyU9sLJuF4gxn3FY6z-NjPI3tusnYgAr9FhCQU-VYo5DwSfeoEfQrpsP1uZkdsJ-dKmuBa1jHJ90jZ3rSRr-Vs_wwUh7Bn0tllUy&typo=1" \t "_blank).
  + The Federal Motor Carrier Safety Administration issued a final rule on the Motor Carrier Safety Assistance Program. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-11464%2fmotor-carrier-safety-assistance-program&c=E,1,_EdFdnJ_fl-VBHUnxiSu_yni6ZMhklHKcnuKUMTJozzi05J7X41Rtw6itL9ildgTX91QlLlh7clma7h3RGXT7WHjqdYS0vjYKkct0tepA3YSbv7qR1_8&typo=1" \t "_blank).
  + The National Aeronautics and Space Administration (NASA) issued a notice of information collection on COVID-19 grantees. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13538%2fname-of-information-collection-covid-19-census-of-nasa-grantees&c=E,1,kDUUVvWuymBuxJBhLu5urDnKAW4YU92uLD-ot_k__mQjNf1bBqEgk9Q4M8i1iInmtzRLBL7ZqHW3wVBxNbm7MRZIxW1r83CAXztsHJlsno42Zc3ToMA,&typo=1" \t "_blank).
  + NASA issued a notice of a meeting for the Aeronautics Committee on the NASA Advisory Council. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13613%2fnasa-advisory-council-aeronautics-committee-meeting&c=E,1,GNCbM8ii4Sqmvm40i1OSnDN5U2ZJQVkC4H5pyizUPGB9_Aj0QjUSbKrZj1Qt6aOKuMNqxSF5olljON8_79g5Ga4geVwb_gQz-1OE-BHnFtvIVYl1&typo=1" \t "_blank).
  + The Office of the United States Trade Representative issued a notice of product exclusion and amendments for China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13596%2fnotice-of-product-exclusion-and-amendments-chinas-acts-policies-and-practices-related-to-technology&c=E,1,2QcFSv9p5yso6xLtK6xqX6MHe5_Bt0kYnN15uhE3VwNjgPrJnlzmjt_YYPFBfxWci_DUII2uoA7J1Rkz47GY6figPn147hLTTbertcvn1mu1&typo=1" \t "_blank).
  + The Transportation Security Administration (TSA) issued a notice of public meeting and extension of comment period on Air Cargo Security Options to Mitigate Costs of Compliance with International Security Requirements. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13580%2fpublic-meeting-and-extension-of-comment-period-on-request-for-information-air-cargo-security-options&c=E,1,s3nrKn-sE3T0GRj1DLP-MO9Kd5xLGLrkjILCJPt9wD8j0Xd8-A77CVn_eNlbPmw3zMRKqaLkKK6P1RHUDK8AIoKrvCxp3PwsbpEePyTV_Y1P8q2B&typo=1" \t "_blank).
  + The Department of Homeland Security (DHS) issued a notification on continued temporary travel restrictions on Restrictions Applicable to Land Ports of Entry and Ferries Service Between the United States and Canada. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13676%2fnotification-of-temporary-travel-restrictions-applicable-to-land-ports-of-entry-and-ferries-service&c=E,1,3eDmLQJncp1dKMkKC6wSL-66vEbs3SQYvhY-hXRVJ7-NzvsXnd7iGsA7BFotWl1wttVsXcgyhYNvohLcL5wp4qDCteKRN6_WhnAjHVw3ZmMs0BxDBg,,&typo=1" \t "_blank).
  + DHS issued a notification on continued temporary travel restrictions on Restrictions Applicable to Land Ports of Entry and Ferries Service Between the United States and Mexico. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f06%2f24%2f2020-13677%2fnotification-of-temporary-travel-restrictions-applicable-to-land-ports-of-entry-and-ferries-service&c=E,1,UyEA6QpGKzJqF1AwPctywwtACdB2TRPLC5jiy25726NIKQ_h8aZ7FoT5BOgMRd5I2HvwcwkEeLbHrGqlY_UQsCBnYwVHnq5mi5Z4BkHYa5eqPQ,,&typo=1" \t "_blank).

**Other News**

* The European Union (E.U.) is preparing to temporarily ban U.S. travelers from entering Europe when it reopens external borders next week, citing U.S. COVID-19 numbers. The E.U. will only allow residents from countries who are on their “safe” list and E.U. Ambassadors are meeting today to determine the final criteria. It is expected that countries will have to be below the average number of infections in the E.U., which would rule out the United States.
* Daily air travel rose to more than 600,000 people in one day on Monday for the first time in three months according to TSA data.
* New York Governor Andrew Cuomo, New Jersey Governor Phil Murphy and Connecticut Governor Ned Lamont issued a travel advisory requiring anyone entering the tri-State area coming from a state with a positive COVID-19 test rate of 10 per 100,000 residents over a seven-day rolling average, or a state with a 10% or higher positivity rate over a seven-day rolling average, to quarantine for 14 days. The announcement can be found [here](https://www.governor.ny.gov/news/governor-cuomo-governor-murphy-and-governor-lamont-announce-joint-incoming-travel-advisory-all" \t "_blank).
* The International Monetary Fund (IMF) released a forecast on Wednesday saying that the United States Gross Domestic Product (GDP) would shrink by 8% this year. The IMF predicted that global GDP would shrink 4.9%.
  + As a comparison, the United States GDP shrank 2.5% in 2009 during the Great Recession.
* Margrethe Vestager, who is the Executive Vice President of the Commission for A Europe Fit for the Digital Age, said that the E.U. would have no choice but to implement regional digital taxes on technology firms if discussions have ended. As a reminder, the U.S. has gone back and forth on whether to engage in these talks.
* According to a new survey from the Oil Price Information Service (OPIS), U.S. gasoline consumption is more than halfway back to pre-COVID-19 levels. Consumption was down 49% from 2019 in the second week of April when oil prices decreased drastically, but only down 22% during the second week in June.
* Delta Airlines CEO Ed Bastian said the federal government should be doing more to mandate masks on planes, as he believes that airlines lack enforcement mechanisms to make customers wear masks.
* The National Air Carrier Association, which represents smaller and budget airlines, said that the airlines they represent will need more government aid to stay in business.
* Italy approved a state-guaranteed loan of $7.1B to Fiat Chrysler.
* Major League Baseball has agreed to play a 60-game season this year, with opening day on July 23 or 24.