October 6, 2020

Below is our COVID-19 Update for October 6, 2020:

**The Senate will be in recess until October 19. The House met in pro forma session today. No votes are currently scheduled in the House until after the election.**

**COVID-19 Relief**

* President Trump announced he is ending negotiations with House Speaker Nancy Pelosi (D-CA) and Democratic leaders on COVID-19 relief until after the election.
  + Following the announcement, the major stock indices reacted negatively with the Dow swinging more than 600 points closing down 1.3%, the S&P 500 closing down 1.4%, and the Nasdaq Composite closing down 1.6%.
* Prior to that announcement, Speaker Pelosi told House Democratic leaders that her negotiations with Treasury Secretary Steven Mnuchin were progressing “very slowly,” but that conversations continued.
* Speaker Pelosi continues to express her intent to move forward with an airline relief package, even without agreement on a broader package. However, no significant action has been taken on airline relief.

**Congress**

**House**

* House Armed Services Committee Chairman Adam Smith (D-WA) announced plans to have the National Defense Authorization Act (NDAA) ready for floor consideration by the first week of December. This likely means that formal conferees will be named shortly after the election.
  + As a reminder, staff-level negotiations have been ongoing since August. Both chambers passed their respective versions of the NDAA, which is seen as one of the few major pieces of legislation likely to move through Congress during the lame duck session.
* The House Judiciary Committee [released](https://judiciary.house.gov/uploadedfiles/investigation_of_competition_in_digital_markets_majority_staff_report_and_recommendations.pdf) its long-awaited antitrust report on tech companies. The report, which is the result of a 16-month probe by the Antitrust Subcommittee, is still being negotiated between Democrats and Republicans with the desire to reach agreement in order to make the report a bipartisan product.
  + Rep. Ken Buck (R-CO), considered one of the Republicans most likely to sign on to the report, outlined seven proposals from the majority that he believes require “further study,” four of which relate to monopolization and three to mergers.
  + The report indicates that House Democrats will propose a massive overhaul of U.S. laws that could make it easier to break up large tech companies, deter them from growing bigger, and prevent businesses like Amazon and Apple from competing in their own marketplaces against rivals.
* Rep. Jeff Van Drew (R-NJ) released additional information about his Health Smart Air Travel Act ([H.R. 8526](https://www.congress.gov/bill/116th-congress/house-bill/8526?q=%7B%22search%22%3A%5B%22congressId%3A116+AND+billStatus%3A%5C%22Introduced%5C%22%22%5D%7D&s=1&r=9)). According to a [press release](https://vandrew.house.gov/media/press-releases/congressman-van-drew-introduces-health-smart-air-travel-pilot-program), the bill would stimulate development of new technologies that mitigate virus transmission in airports and passenger aircrafts. These technologies include:
  + Thermal detection cameras to identify at-risk individuals.
  + Ultraviolet light disinfection systems.
  + Advanced anti-viral HVAC filtration systems.
  + Touchless document and security screening procedures.
  + Artificial-intelligence monitoring for social distancing and surface contamination.

**Administration**

* The Department of Homeland Security (DHS) issued new rules making it harder for skilled foreign workers to acquire H-1B visas. This move comes just days after a federal judge temporarily blocked an Executive order issued by President Trump last June which suspended the issuance of foreign worker visas amid the COVID-19 pandemic. According to published reports:
  + “DHS’s new [regulations](https://www.dhs.gov/news/2020/10/06/department-homeland-security-and-department-labor-rule-restores-integrity-h-1b-visa) target H-1B temporary work visas, which are granted to skilled foreign workers primarily in the tech industry, allowing them to stay in the country for multiple years.
  + The rules, which go into effect 60 days after they’re published in the Federal Register, raise requirements for companies that hire foreign workers under the H-1B program.
  + The new rules narrow the definition of "specialty occupations" under the H-1B, require companies to offer these roles to U.S. workers first, and enforce stricter compliance through worksite inspections.
  + The Department of Labor also issued a new [rule](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.dol.gov%2fnewsroom%2freleases%2feta%2feta20201006&c=E,1,xDxdR_EJxRhkYXKMnoQK3my1l4ewbzwmdT14HYcNWp6hScOV9LhoGHHjqoWSovVZsJsneSSlD29lkbQuJBLhJ8NmcvRfxUUsgJqucOftrBt5s0N_b7K_8OU,&typo=1) on Tuesday that will require employers to increase what they pay H-1B recipients, to discourage firms from undercutting American workers with cheaper foreign labor.”
* The Small Business Administration (SBA) announced that it began approving Paycheck Protection Program (PPP) forgiveness applications and sending payments to lenders Friday. The agency did not immediately say how many loans were forgiven. Late last month, the SBA said it had received about 96,000 forgiveness requests, fewer than 2% of the total loans made under the program.
* The Federal Reserve released a [survey](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalreserve.gov%2feconres%2fscfindex.htm%3fsource%3demail&c=E,1,hs2g9d1JABNFZhy16yeuiPw9j3sP09VRithGIaoyMXgxZuJzHF3K3F8LjPAXDhTGuq1neo1ikk0iUVy0EMcIGxriTKFUpEaUp0rjJBUdGqE,&typo=1) showing that 53% of American families were invested in the stock market as of the second quarter of this year, either through direct ownership or retirement plans. However, the value of shares is skewed so sharply toward high net-worth individuals that they are reaping most of the benefits of the market's more than 30% surge in the last six months.
  + This is sparking fears that the U.S. is heading for a K-shaped recovery, where economic growth would increase the wealth of richer Americans while decreasing the wealth of poorer Americans.
* The Department of Transportation (DOT) announced a $10M research demonstration grant program for transit agencies to “identify ways to make transit operations more efficient and improve mobility nationwide.” It will fund projects related to cleaning and disinfecting, exposure mitigation, contactless payment, and strengthening public confidence in transit services.
* The Federal Aviation Administration (FAA) extended a waiver for minimum slot usage requirements at three major airports, meaning the airlines with slots at those airports will not need to meet the 80% usage standard. The extension largely benefits the major airlines, with budget airlines opposing the decision.
  + The waivers at JFK International Airport, LaGuardia Airport, and Ronald Reagan Washington National Airport will be in place until March 27, 2021.
* The Transportation Security Administration (TSA) released data on how its workforce has been affected by COVID-19. The data showed that 2,020 total employees have been infected, with the largest sites of infection being Miami International Airport and JFK International Airport.
* The leaders of the Environmental Protection Agency’s (EPA) biggest union, the American Federation of Government Employees, have passed a "vote of no confidence" in Administrator Andrew Wheeler and agency leadership related to management's workforce decisions during COVID-19.
  + This vote was prompted by the EPA continuing to advance reopening plans despite the continued spread of COVID-19 and the union’s desire to continue telework until a vaccine is available.
* The Department of Commerce released a [report](https://www.census.gov/foreign-trade/Press-Release/current_press_release/index.html) showing that the monthly U.S. trade deficit in goods hit a record high in August. The overall trade deficit was $67.1B, reflecting a surplus in services trade, and the deficit for U.S. goods trade by itself was $83.9B, the highest ever recorded.
* The FAA’s rules on remote identification and drone operations over people have been sent to the Office of Management and Budget (OMB), the last step before finalization. These rules are expected to unlock a significant expansion of permitted drone operations. OMB has up to 90 days to review the rules, though the FAA has said that the rules would be ready in December.
* The Department of Defense selected SpaceX for a $150M contract for the “design, development, and launch of a constellation of satellites equipped with wide field of view overhead persistent infrared sensors capable of detecting and tracking advanced missile threats.” This contract will build the tracking layer of the National Defense Space Architecture.
* The Department of Labor released its [monthly jobs report](https://www.bls.gov/news.release/pdf/empsit.pdf), which showed that state and local governments lost 184,000 jobs in September, ending a brief recovery during the summer.
  + This signals that economic pain is deepening across state and local governments and may be followed by cuts to essential services like education, health care, and public safety.
* Chairman of the Joint Chiefs of Staff General Mark Milley and other military leaders are quarantining after a top Coast Guard official tested positive for COVID-19. Though they have tested negative for COVID-19, the military leaders are quarantining as a precaution after attending several meetings at the Pentagon last week with Admiral Charles Ray.

**Other News**

* Facebook announced it is banning QAnon and groups that support the far-right conspiracy theory site across all its platforms.
* A coalition of 20 state Attorneys General wrote a [letter](https://www.michigan.gov/documents/ag/Letter_2020-10-05_Multistate_Letter_704191_7.pdf) to Congressional leaders Monday requesting the inclusion of language tackling toxic per- and polyfluoroalkyl substances (PFAS) chemicals in the final version of the NDAA.
  + The letter includes PFAS provisions already passed in the House, including one requiring the Department of Defense to abide by states' more stringent standards when removing or remediating PFAS and another to provide PFAS blood testing for all interested servicemembers.
* Brazilian trade officials stated that the U.S. and Brazil will announce a limited deal on trade facilitation, good regulatory practices, and anticorruption this month.
* Public Citizen released a [report](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.citizen.org%2fwp-content%2fuploads%2fGovt-Contracts-w-Offshorers-Report-10052020FINAL.pdf&c=E,1,iXojkHrYAAOryL5WXDkzQVZhnI-XG41MKr8WHrnSltE93p6NcDUVXvqAUevtDmz1eONcUytSGZPQTU2zLhCzOBGTKIUEgi5N4BaMymQbrIPCh0zcc9bk--zIMb0,&typo=1) stating that companies that outsourced U.S. jobs during the Trump Administration reaped more than $425B in federal contracts. According to the report, over 311,000 jobs have been government-certified as lost to trade, with more than 203,000 classified as being offshored since 2017.
* The American Council for an Energy-Efficient Economy released a [scorecard](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.aceee.org%2flocal-policy%2fcity-scorecard&c=E,1,cZILoOFWOlV85m-ncT1_SPj3551RxB2Qc0Tt-gxLkI7uAsFK1aJWqE_uN208uvlo1Rmhq460wjgQsVADHQm-DSqY9tjpuzlKIpQCb77RTaYtsV4,&typo=1) of 100 U.S. cities, ranking them on their efforts to improve energy efficiency and scale up renewable energy. New York City ranked as the top city.
  + New York City was followed by Boston, Seattle, Minneapolis, San Francisco, Washington, D.C., Denver, Los Angeles, San José, and Oakland.
* Honda, Toyota, Tesla, Continental, DENSO, and the Fair Standards Alliance urged the U.S. Court of Appeals for the 9th Circuit to take up the Federal Trade Commission’s (FTC) antitrust case against Qualcomm for reconsideration before the full appeals court.
  + The auto companies were also joined by the App Association and the Fair Standards Alliance, which include Apple, Google, Microsoft, Intel, Cisco and T-Mobile.
* In the past eight months, 308,000 employees have been laid off or furloughed by the private motorcoach, school bus, and domestic passenger vessel industries. This number is roughly two-thirds of the pre-COVID-19 workforce in those sectors.
* Southwest Airlines is making additional pay cuts and seeking a quick agreement on “reasonable concessions” with its workers’ unions. The goal is to avoid layoffs and have cost-savings in place for all the company’s employee groups by January.
* Several rail and transit unions and industry groups sent a [letter](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.railpassengers.org%2fsite%2fassets%2ffiles%2f17084%2famtrak-transit_support_letter_-_10_4_20.pdf&c=E,1,XBA5kgQYb3r8bLbIijkrc0WziUHSYXakSmAdrZWOe6jLZ5c7CVTiXHKtTKyIxwIs8lz22alR021ieN3zFrsbih55eSLxeSecFtKkAK_m8QnzBWrSZyHPe0eAhPU,&typo=1) to lawmakers urging them to provide COVID-19 relief funding to Amtrak and transit agencies in light of the service reductions and furloughs that took place on October 1.
* Boeing decreased its industrywide aircraft delivery forecast by 11% over the next decade as it predicts the industry will take three to five years to recover the losses experienced from COVID-19.
  + Last year’s forecast predicted demand for 20,550 airplanes through 2028, while the new forecast has decreased that prediction to 18,350 planes through 2029.
* The World Trade Organization (WTO) released a [trade forecast](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.wto.org%2fenglish%2fnews_e%2fpres20_e%2fpr862_e.htm%3fsource%3demail&c=E,1,1AmDnunTDcOM9kqdFUOVBXUY_-ZoNmM7PsFXsiP8geyGo6LqNiHJeRaug29mn0aKFEt5iDlrYr9pQnfv35kLAxEZQwHeLSNhz46_9WXM0ZVdW6iEEA,,&typo=1) showing that global trade is recovering slightly faster than expected during COVID-19. The WTO now expects a 9.2% decline in the volume of world merchandise trade in 2020, followed by a 7.2% rise in 2021.
  + The WTO predicted a 13% decrease in trade in its April forecast.
  + The report also projects a 4.8% drop in global GDP growth this year, followed by a 4.9% increase in 2021.
* Facebook removed a post from President Trump in which he falsely claimed that COVID-19 is less deadly "in most populations" than the flu. Alternatively, Twitter labeled the tweet for violating its rules about "spreading misleading and potentially harmful information," but left it up because it may be "in the public's interest."
* The District Court for the District of Columbia set November 4 as the date for TikTok to argue for a temporary halt on the Trump Administration’s order that would essentially ban the app.
  + As a reminder, restrictions on the app are set to take effect on November 12, which is also the deadline President Trump gave TikTok to secure a U.S. owner.

**Federal Register Notices**

* The FAA extended the regulatory relief originally provided in the Relief for Certain Persons and Operations during the Coronavirus Disease 2019 (COVID-19) final rule and the Limited Extension of Relief for Certain Persons and Operations during the Coronavirus Disease 2019 (COVID-19) Public Health Emergency final rule through April 30, 2021. This relief applies to people who may have challenges complying with certain training, recent experience, testing, and checking requirements and allows operators to continue to use pilots and other crewmembers in support of essential operations. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-22004%2fsecond-limited-extension-of-relief-for-certain-persons-and-operations-during-the-coronavirus-disease&c=E,1,bkOKwhO0aMOgFVYKjstOaWnNX4gi5utEg9S9_u96wqHuhXJK5XTBI3xmurtSemUuOSGAFnhQJGauObYozl5HHF5BR8g56mM4iSdw9EJzv4qisyWHYwTWS7WkEg,,&typo=1).
* The FAA requested public comment about requests for waivers from certain operational rules that apply to small unmanned aircraft systems (sUAS). The FAA will use the collected information to make determinations whether to authorize or deny the requested operations of sUAS. Comments must be submitted by November 5. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-22003%2fagency-information-collection-activities-requests-for-comments-clearance-of-a-new-approval-of&c=E,1,zBd4XKVMQZf8LpJ7Zoe_qChMTVgJwJuR2wrKuwOMNm9sPnkgevttTXdMMwSJk7eAKJcS-CcNIjhf1O5-7xl6TpwFweSfGG38B1osRz9wX9LhXp0KcX6YAi5_Wn_E&typo=1).
* The Federal Communications Commission (FCC) amended its procedural rules to streamline the administrative hearing process. These changes are effective November 5. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-21090%2fprocedural-streamlining-of-administrative-hearings&c=E,1,tpKXJhNQ9W8T2r8PBDKMH5CisvrFcHwcz6Tskk40Q7Q7NG-o_L8BfS_5vGliw9n2yvxoCV_vKQ4SUe0vR4yRZf53j22TjSo2RiFn7R4ksGSpVIzgGt5kxtLO&typo=1). The rules will be amended to:
  + Expand the use of a process that relies on written testimony and documentary evidence in lieu of live testimony and cross-examination.
  + Authorize Commission staff to act as a case manager to supervise development of the written hearing record when the Commission designates itself as the presiding officer at a hearing.
  + Dispense with the preparation of an initial opinion whenever the record of a proceeding can be certified to the Commission for final decision.
* The FCC announced a virtual meeting of the Broadband Deployment Advisory Committee (BDAC) that will be held on October 29 and 30 at 11:00am ET. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-22029%2fmeeting-of-the-broadband-deployment-advisory-committee&c=E,1,4M-DztSAxsogr5f4hW1WwDz45Yl-Bl0lriPFAwt9yfZ36AdGBByVZkM_NJ7mfQu8IvO8mIvxg42tTek6zliUHCEeYXNGlbfqm7qA2MYC9er5&typo=1).
* The Wireless Telecommunications Bureau announced that RSM US LLP (RSM) satisfies the selection criteria established by the FCC in the 3.7 GHz Band Report and Order and will serve as the Relocation Coordinator for the 3.7-4.2 GHz transition process. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-22086%2fwireless-telecommunications-bureau-announces-c-band-relocation-coordinator&c=E,1,DoNNSidnpyaUQY3mJ7GZ-MD3y29ra2-xXbcuVDSHi9yoJG0qTDhQosJdkXrITK2SGyXhttQFllHySDBEihQiLxueZKefC5KM_0BiOnw7cfsp0i5jOATCVqeePQ,,&typo=1).
* The Internal Revenue Service (IRS) issued final regulations that provide guidance for employers concerning income tax withholding from employees' wages. These final regulations concern the amount of Federal income tax employers withhold from employees' wages, implement changes in the Internal Revenue Code made by the Tax Cuts and Jobs Act, and reflect the redesigned withholding allowance certificate (Form W-4). The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f06%2f2020-22071%2fincome-tax-withholding-from-wages&c=E,1,6rmTlCKXNpB0_B26tcO0-hvR7bSxyuHWLEJXNXr_ebJfsda35eeGcoIA_wlVWgXMwmJ8khOVqZhCc2afrrpKGrd1kpuJKfSL1HHn1H7yweZTipoCk9rsNQ,,&typo=1).