October 16, 2020

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

**Both the Senate and House are in recess.**

**COVID-19 Relief**

* House Speaker Nancy Pelosi (D-CA) and Treasury Secretary Steven Mnuchin continue to negotiate. Though passage of an additional COVID-19 relief package before the election is unlikely, the two may be working to facilitate rapid passage after the election.
  + Secretary Mnuchin indicated that President Trump may push Senate Majority Leader Mitch McConnell (R-KY) to pass additional relief if an agreement is reached.
* Speaker Pelosi released a Dear Colleague [letter](https://www.speaker.gov/newsroom/101520) highlighting the continued points of contention in negotiations including testing, state and local government funding, tax benefits for working families, support for small businesses, and childcare funding. The letter also indicated that relief would be retroactive.

**Congress**

**Senate**

* Leader McConnell intends to bring up a “skinny” COVID relief package starting on Monday.  A procedural vote may occur on Wednesday. The Republican bill is not likely to garner any Democratic support.
* Leader McConnell indicated that the Senate will proceed to consider Judge Amy Coney Barrett’s nomination next Friday, October 23 and will stay in session until Judge Barrett is confirmed, likely on Monday, October 26.
  + As a reminder, the Senate Judiciary Committee is expected to advance Judge Barrett’s nomination next Thursday, October 22.
* The Senate Commerce, Science, and Transportation Committee will hold a hearing on the nomination of Nathan Simington to the Federal Communications Commission (FCC) on November 10. As a reminder, Simington would be filling the seat held by Commissioner Mike O’Rielly, whose term expires at the end of 2020. In addition to Simington, the Committee will consider the following witnesses during the hearing:
  + Mr. Greg Autry to be Chief Financial Officer of the National Aeronautics and Space Administration
  + Mr. Daniel Huff to be Assistant Secretary of the Department of Commerce
* Senate Interior and Environment Appropriations Subcommittee Chair Lisa Murkowski (R-AK) intends to use appropriations language to protect Alaska’s Bristol Bay from the proposed Pebble Mine project in the next Congress.
  + As a reminder, the project was met with bipartisan opposition this summer.
* The Senate Judiciary Committee is expected to vote on Tuesday to authorize a subpoena for Facebook CEO Mark Zuckerberg to appear before the Committee. As a reminder, we previously reported that the Committee is also expected to vote to authorize a subpoena for Twitter CEO Jack Dorsey. The subpoenas are in response to the platforms’ handling of the New York Post article regarding former Vice President Joe Biden and his son, Hunter Biden.

**House**

* Republican leaders of the House Energy and Commerce Committee released a [statement](https://republicans-energycommerce.house.gov/news/press-release/walden-latta-rodgers-statement-on-big-tech-censorship/) on Twitter and Facebook’s handling of the New York Post article regarding former Vice President Joe Biden and his son, Hunter Biden. They cited the article as an example of tech companies blurring the lines between acting as platforms and publishers and urged the FCC to clarify the intent of Section 230.
* The House Select Subcommittee on the Coronavirus Crisis released a [staff report](https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/PPP%20Report%20Final%20%283%29.pdf?source=email) criticizing the Administration and big banks for their handling of the Paycheck Protection Program (PPP) small business lending effort, saying early decisions favored wealthy corporations and hurt minority-owned firms.
  + The report revealed concerns that banks raised before the rushed launch of the program in April, when lenders complained that the hurried rules were incomplete and would likely give their existing, previously vetted customers an advantage to access PPP funds.
  + The Subcommittee found that several lenders processed the largest loans for wealthy customers much more quickly than smaller loans as banks gave bigger commercial customers access to different loan application pipelines than their smaller customers.

**Administration**

* The Department of Defense Inspector General is launching an audit of COVID-19 relief funds. According to a [memo](https://media.defense.gov/2020/Oct/15/2002517539/-1/-1/1/D2021-D000AT-0020.000.PDF), the audit will determine whether the Department awarded Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to increase the Defense Industrial Base’s manufacturing capacity in accordance with Federal regulations and Defense Production Act authorities.
  + The audit will start immediately and will focus on the office of the deputy assistant secretary of defense for industrial policy, the Air Force, Special Operations Command, and Defense Contract Management Agency.
* The Department of Defense and U.S. Transportation Command released a [study](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.ustranscom.mil%2fcmd%2fdocs%2fTRANSCOM%2520Report%2520Final.pdf&c=E,1,kcDpaxoHIdJGiULJrfO5Rb1R8gK-p1D681Z_HXrodC_FZHLiLWuhOoq4GPjb4bOqELdA-AoPqs2RSSkeh5IgpN_uyQW6THbrzb1-PLNj7phqi_xQuQe-yy4l&typo=1) which found that when simulated passengers on United flights wore masks, an average of only 0.003% of released particles reached their "breathing zone." This is an additional indication that COVID-19 spread is unlikely on airplanes when safety guidelines are followed.
* The Environmental Protection Agency (EPA) [proposed](https://www.epa.gov/csapr/revised-cross-state-air-pollution-rule-update) additional restrictions on nitrogen oxide (NOx) pollution from power plants in 12 states. The revised Cross-State Air Pollution Rule imposes additional emissions reduction requirements on power plants in the states, which will have to optimize their already-installed pollution controls for the 2021 summer ozone season and install or upgrade low-NOx burners for 2022.
  + The revision will decrease summertime NOx pollution by 17,000 tons in 2021, a 20% decrease from 2019 levels.
* The National Oceanic and Atmospheric Administration (NOAA) released its [winter outlook](https://www.noaa.gov/media-release/us-winter-outlook-cooler-north-warmer-south-with-ongoing-la-nina), which found that more than 45% of the continental United States is currently experiencing drought.
  + This is the most widespread drought seen in the continental U.S. since September 2013 and it is expected to persist through winter in the Western United States, the Ohio Valley, and the Northeast.
* Brazilian President Jair Bolsonaro made a speech at a U.S. Chamber of Commerce event which is raising expectations that the U.S. and Brazil will announce a modest trade agreement soon. The agreement is expected to cover customs-clearing procedures, good regulatory practices, and anti-corruption measures.
  + Some are concerned that the Administration’s push to reach an agreement before the election will harm the policy substance. The Administration is expected to promise a second set of talks with Brazil on a bigger array of concerns in the future.
* The Treasury Department stated that the federal deficit tripled to $3.1T in fiscal year 2020, with the budget gap increasing to a share of economic output unseen since World War II. Government spending was over $6.5T, up from $4.4T in 2019, and the debt increased to $21T.

**Other News**

* The Washington state Supreme Court struck down an initiative that would cut taxes on car tabs, a part of vehicle registration in the state, ruling the ballot measure that voters passed almost a year ago was misleadingly packaged. The initiative had cut car registration fees to $30.
* The Consumer Technology Association found that U.S. importers of Chinese technology goods have paid about $34B in additional taxes as a result of Section 301 tariffs. The data also showed that more than $2.3B of the tariffs were on products critical for 5G deployment and Section 301 tariff payments totaled $1.39B in August.
* The Western Organization of Resource Councils (WORC) sued the Department of Energy over its National Coal Council, which the suit alleges "has operated in secret and works to advance the goals of only one interest: the industries that profit from the development and combustion of coal." The suit alleges the Council lacks competing views to counter pro-coal voices and has little "meaningful" public engagement, in violation of the Federal Advisory Committee Act.
* Twitter announced changes to its policies against posting hacked materials after facing widespread backlash for its handling of the New York Post article regarding former Vice President Joe Biden and his son, Hunter Biden. However, the platform will continue to block users from posting links to the Post article for violating other rules against sharing private personal information.
* The European Union’s (EU) trade chief Valdis Dombrovskis said that the EU sees “no basis” for U.S. demands that Airbus pay back government loans, as the demands go well beyond the EU’s World Trade Organization (WTO) obligations.
  + Dombrovskis argued that, to comply with last year’s WTO ruling on excessive aid for Airbus, it is sufficient that the EU does not grant the company subsidized loans in the future.
* Over 150 trade groups sent a [letter](https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fimage.uschamber.com%2flib%2ffe3911727164047d731673%2fm%2f5%2fb5c62775-5376-4f8d-9384-35b76ce39682.pdf%3futm_medium%3dEmail%26utm_source%3dSFMC%26utm_campaign%3d%26utm_content%3d&c=E,1,-jWXHn55KShLYT02XwqMXTEogfk70yS2fGgxbg8caEj3BFACeGnOLyX31KC4HxvwkFr22CEUflVIKHE7o-TiHr8x6xoo_kTtucGbpEbPq_sEVZmr4Co,&typo=1) urging President Trump to rescind an Executive Order issued last month barring federal contractors and those who receive federal grants from implementing diversity training based on “divisive concepts” such as the idea that the country “is fundamentally racist or sexist.”
  + Signatories include the American Beverage Association, the American Chemistry Council, the American Council of Life Insurers, the Edison Electric Institute, the National Association of Manufacturers, the National Association of Realtors, the Associated General Contractors of America, the U.S. Chamber of Commerce, and the Wine & Spirits Wholesalers of America.
* The WTO rejected a proposal to temporarily waive intellectual property rights, patents, and other protections for any medical technologies relating to COVID-19. The Council on Trade-Related Aspects of Intellectual Property Rights failed to reach a consensus as many members argued that current flexibilities in the agreement would not guarantee timely access to vital supplies and other members argued that intellectual property rights are not a genuine barrier for accessibility.
  + This was proposed by South Africa and India to guarantee that all countries have the freedom to operate, innovate, procure, and scale up manufacturing capacities in essential health technologies until widespread global vaccination and immunity is developed.

**Federal Register Notices**

* The Department of Commerce postponed the deadline for the preliminary determinations in the less-than-fair-value (LTFV) investigations of imports of passenger vehicle and light truck tires from Korea, Taiwan, Thailand, and Vietnam. The new deadline is December 29. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f16%2f2020-22958%2fpassenger-vehicle-and-light-truck-tires-from-the-republic-of-korea-taiwan-thailand-and-the-socialist&c=E,1,6gwI92iF81meONf99w1wmo4SI6Bov_bealxkW5N67HWLvr4Hv87izAfwYLCoUnh3WxoyW_7v_ZMxiO4BAr2Tx0EUFgT8OxmjvMYs6y5eNS8k6mHfXeH6qw,,&typo=1).
* The Surface Transportation Board received a request from Neville Peterson LLP on behalf of Trinity Industries, Inc. for permission to use select data from the 2019 Masked Carload Waybill Sample. The waybill sample contains confidential railroad and shipper data. If any parties object to these requests, they should file their objections with the Director of the Board's Office of Economics by October 30. The notice can be found [here](https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fwww.federalregister.gov%2fdocuments%2f2020%2f10%2f16%2f2020-22962%2frelease-of-waybill-data&c=E,1,2GHZOa5ZT6x2srd_UZ4xH-K4os4pYEjFGGg8IA_KZ0Izy8hQB_pjKvg2JxOdhfGXK1AvkcPBRKKjeo4ga5cuLTKTV-vxYZYD52UifknnccWHz4hDcaay0LE,&typo=1).