Federal Update – May 4, 2020

Total U.S. coronavirus deaths reported each morning this week: (last Friday, 63,019), Monday 68,606

Happening on the Hill

The threat posed by the coronavirus has upended congressional operations and lawmakers’ agendas, forcing House and Senate leaders to put much of what they planned on the back burner while they focus on the next steps to curb health risks and restore the economy. Senate Republican leaders said they will officially resume their spring work period today despite ongoing concerns about virus exposure. House Democrats delayed their own return but now expect to be fully back at work the week of May 11.

Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Mitch McConnell (R-Ky.) have staked out positions on the next recovery packages that lawmakers expect to approve this summer to help hard-hit businesses, state and local governments, and individual taxpayers. The packages under discussion, which also could include a massive influx of infrastructure funds, will come on top of the more than $3 trillion provided by Congress in four quick bursts this spring. Those packages are likely to crowd out many other items that were once on the leaders’ priority lists for the summer. The list of other “must dos” is increasingly small, with priority being given to bills to fund the federal government and renew Pentagon programs. In the Senate, McConnell wants to use gaps in the action to confirm Trump’s judicial nominees. Nancy Ognanovich has more on the spring agenda.

- As Congress negotiates the next round of stimulus, battle lines are being drawn over more than $1 trillion in additional spending floated by Democrats amid objections from Republicans and demands from President Donald Trump. Erik Wasson and Laura Litvan take a look at the fights ahead in the stimulus talks.
- After 200-plus years of lawmakers heading to the House chamber for votes, bipartisan discussions are underway for a potential rules change to keep members safe while continuing to pass legislation. A bipartisan task force, consisting of three Democrats and three Republicans, is meeting to consider what a change would look like. Emily Wilkins has more on the debate over vote options.
- Meanwhile, Pelosi and McConnell rejected a White House offer of rapid coronavirus testing for lawmakers until “these speedier technologies become more widely available.” In a joint statement, the pair said they were “grateful” for the offer but would “respectfully decline.” “Our country’s testing capacities are continuing to scale up
nationwide and Congress wants to keep directing resources to the front-line facilities where they can do the most good the most quickly,” Pelosi and McConnell said, Ros Krasny reports.

- More Masks, No Lattes to Be New Normal in Locked-Down Senate

Collins Says Trump’s Pick for Spy Chief Has Experience: Trump’s nominee to be the nation’s spy chief, Rep. John Ratcliffe (R-Texas), picked up a crucial endorsement Friday from a moderate Senate Republican, just days before his confirmation hearing. Sen. Susan Collins (R-Maine) said in a statement she met Friday with Ratcliffe and “concluded that he does have the experience to meet the statutory standard to fill the position.” Among the criticisms leveled at Ratcliffe by Democrats is that he is too much of a Trump loyalist, in a post where independence and objectivity is critical. “I also pressed him for his commitment to deliver objective analysis, regardless of the president’s views on an intelligence issue,” said Collins, who pointed out she co-authored the 2004 law creating the job of director of national intelligence. Read more from Billy House.

White House Blocks Fauci From Testifying: The Trump administration has barred Anthony Fauci, the scientist who’s leading the U.S. response to the coronavirus pandemic, from testifying before a congressional hearing Wednesday. Fauci was sought as a witness for a House Appropriations subcommittee that was looking into the U.S. response to the pandemic, according to Evan Hollander, a committee spokesman. “We have been informed by an administration official that the White House has blocked Dr. Fauci from testifying,” Hollander said on Friday afternoon. The White House later confirmed that Fauci, the director of the National Institute of Allergy and Infectious Diseases, would not be appearing. Read more from Erik Wasson and Jennifer Jacobs.

Corona Virus Stimulus #4

Fiscal Fights Ahead: As the U.S. moves past the peak of the coronavirus pandemic and begins to focus on the road ahead, lawmakers are preparing for a debate over whether the economy will need a long-term federal rebuilding effort that could last several years. Such a sustained push to bolster the economy could cost trillions of dollars, which will pressure lawmakers to consider how long the deficit-financed efforts should go on. A debate in Congress over proposals to boost the federal safety net and to let the deficit grow could occupy lawmakers for the rest of the year, if not longer. “It’s going to be a number of years before we get to reasonably good unemployment numbers,” House Budget Chairman John Yarmuth (D-Ky.) said in an interview, adding he expects “a three- or four- or five-year recovery.” Read more on the fiscal outlook from Jack Fitzpatrick.
Trump revised upward the number of Americans he expects to die from the virus to as many as 100,000 and promised more assistance for those put out of work during the town hall event. “We’re going to lose anywhere between 75, 80 to 100,000,” he said. He said at the beginning of April he hoped deaths would total less than 60,000. The number of U.S. dead so far is more than 67,000. Read more.

Trump said he won’t agree to pass further stimulus measures to combat the economic fallout of the coronavirus outbreak without a payroll tax cut. Trump has been advocating for the cut for weeks but it’s opposed by most congressional Democrats and it’s not clear the idea has much support in Trump’s own party. A payroll tax cut would have no benefit for Americans put out of work in the wake of the outbreak until they return to employment. Read more from Jordan Fabian and Jennifer Jacobs.

Trump promised a “conclusive” report on the Chinese origins of the coronavirus outbreak. Trump pledged the report and said he had little doubt that Beijing misled the world about the scale and risk of the disease. Earlier, Secretary of State Michael Pompeo said “enormous evidence” shows the Covid-19 outbreak began in a laboratory in the central Chinese city of Wuhan, without providing evidence to support his claims. Read more from Jordan Fabian, Jennifer Jacobs and Iain Marlow.

The intelligence community briefed Trump twice in the eight days before he imposed travel restrictions on China in an attempt to stop the spread of coronavirus, said a senior White House official familiar with the briefings. Trump said last night that he was told on Jan. 23 that a virus might be coming but that it wasn’t of much import. “They said it very matter of factly,” he said, adding that the intelligence community would release more information on Monday. The Jan. 23 session was the first time the intelligence community
briefed the president on Covid-19, said the official, who requested anonymity to describe the classified briefings. Read more from Jordan Fabian.

**SBA Program**

If you're looking for a real-time list of public companies who have received SBA Cares Act loans, AI Margaret rom Factsquared has been reading SEC 8-Ks as they're filed.

https://factba.se/sba-loans

**SEC Filings Public Companies Receiving SBA PPP Loans Under the CARES Act**

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**Reopening of States**

Trump Presses to Reopen With Risk of Promising Too Much

Trump prodded an anxious nation to reopen for business with a combination of optimism and grievance, seeking to move past the pandemic that has killed more than 67,000 Americans and imperiled his odds of a second term. In a virtual town hall staged symbolically at the Lincoln Memorial last night, Trump said he hopes to return to his raucous political rallies in packed arenas in the final months of his campaign for re-election. He complained that some states “aren’t going fast enough” to ease public health restrictions. “We have to go back,” Trump said during the made-for-TV event on Fox News. “It’s going to pass.” Trump has agitated since March to end social distancing, which has collapsed the U.S. economy -- his calling card for re-election. But in his remarks yesterday, he risked over-promising and under-delivering both to supporters protesting stay-at-home orders at statehouses around the country and the majority of Americans that polls show are more fearful of the virus than the economic fallout.

His arguments were also hurt by a litany of exaggerations, misstatements and partisan attacks on his opponents, leaving him open to criticism that he is foremost concerned about his own re-election odds than the health and safety of the American people. The event also highlighted Trump’s characteristic bombast. “They always said, ‘nobody got treated worse than Lincoln.’ I
believe I am treated worse,” Trump declared, sitting at the foot of the statue of the 16th president. Read more from Jordan Fabian.

Healthcare

Drug Pricing Efforts on Post-Crisis Agenda: The global coronavirus outbreak has upended major agenda items on Congress' priority list for health-care issues. But the crisis may also offer lawmakers a new perspective as they aim to tackle drug pricing, surprise medical billing, and drug supply chains when the nation recovers. Senators, as they return to Capitol Hill today, will be focused on negotiations on a fourth major stimulus package that may include more relief for hospitals and state and local government responses to the fight the virus, and health-focused members are seeking to use the measure to include health-care priorities that were sidelined by the pandemic.

In an effort to rein in surprise medical bills, Senate Health, Education, Labor, and Pensions Chairman Lamar Alexander (R-Tenn.) and House Energy and Commerce Chairman Frank Pallone (D-N.J.), have been promoting bills to prohibit balance billing, in which a health-care provider might bill a patient for charges that their insurer won't cover, and require doctors in some instances to accept a rate similar to what insurers pay other providers for the same service. Alexander and House Energy and Commerce ranking member Greg Walden (R-Ore.) have also been pushing to include surprise medical billing measures in one of the coronavirus relief bills, but have so far been unsuccessful. Alex Ruoff has more on that effort.

Prior to the crisis, House Democrats rallied around a bill (H.R. 3), endorsed by House Speaker Nancy Pelosi (D-Calif.) to empower the U.S. government to demand lower prices from drugmakers for many medicines. Likewise, House Democrats since the pandemic have been pushing for price controls on drugs and any vaccines developed for Covid-19. That bill faces competition from a bipartisan Senate package (S. 2543) by Senate Finance Chairman Chuck Grassley (R-Iowa) and top Democrat Ron Wyden (Ore.)—tepidly endorsed by the White House—to require drugmakers to offer customers Medicare inflation rebates while capping out-of-pocket drug costs for Medicare beneficiaries. Grassley has been pressing fellow Republicans to back the legislation to convince Majority Leader Mitch McConnell (R-Ky.) to allow a vote.

Grassley has sought to use “must-pass” extensions for health programs that were set to expire this month to push through his drug pricing legislation, but Congress included those extensions in a coronavirus stimulus package signed into law in March. Those programs, including Temporary Assistance for Needy Families, now expire Nov. 30. Danielle Parnass delves into the funding figures for the health programs.

Meanwhile, the spread of the coronavirus has reignited the push in Congress to expand domestic manufacturing of drugs, and renewed concerns the U.S. relies too much on foreign medicine makers. The need for medications can be urgent during a pandemic and lawmakers on both sides of the aisle have raised alarms about possible shortages.
Rep. Anna Eshoo (D-Calif.), the chairwoman of the House Energy and Commerce Health Subcommittee, has been pushing for a bill to boost domestic manufacturing of pharmaceutical products. Reps. Eshoo and Susan Brooks (R-Ind.) unveiled a measure that would require the National Academies of Sciences, Engineering, and Medicine to “convene a committee of experts to analyze the impact of U.S. dependence” on foreign medicines and to make recommendations to Congress. They cited Covid-19 as a critical example for the need to reassess the nation’s drug supply chain.

Rep. John Garamendi (D-Calif.) and Vicky Hartzler (R-Mo.) want to use the fiscal 2021 defense authorization bill to strengthen U.S.-based pharmaceutical manufacturing and advance “make it in America” policies that favor domestic drug-production plants. Garamendi introduced a bill (H.R. 4710) that would direct the secretary of defense to include drug supply chains in the Pentagon’s national security strategy.

This Week’s Hearings:

- The Senate Health, Education, Labor, and Pensions Committee convenes on Thursday to discuss new testing to diagnose Covid-19. National Institutes of Health Director Francis Collins and Biomedical Advanced Research And Development Authority acting Director Gary Disbrow will testify.
- The Trump administration has barred Anthony Fauci, the scientist who’s leading the country’s response to the pandemic, from testifying before a congressional hearing on Wednesday. Fauci had been sought as a witness for a House Appropriations subcommittee that’d been looking into the U.S. response to the coronavirus crisis, according to Evan Hollander, a panel spokesman. Read more from Erik Wasson and Jennifer Jacobs.

Legislation & Letters:

- Rep. Bobby Rush (D-Ill.) unveiled a bipartisan bill that would establish a grant program run by the Centers for Disease Control and Prevention to “fully mobilize coronavirus testing and contact tracing efforts.” Beneficiaries of the grants would include the community health centers, school health centers, academic medical centers, non-profits, and “other entities who would hire and train individuals to operate mobile testing units, as well as outreach in hot spots and medically underserved areas,” Rush said in a statement. Read the statement here.
- Sen. Mitt Romney (R-Utah) said Friday he’s introducing a measure that would offer essential workers like health-care professionals, grocery store workers, and food processors a raise of up to $12 an hour in May, June, and July. The bill would “help ensure essential workers receive greater compensation,” Romney said in a tweet. One-quarter of the bonus would be paid by the employer, with the other three-quarters by the federal government, Romney said in a statement, Teaganne Finn reports.

Hurdles to Getting Vaccine to Whole World: Coming up with a vaccine to stop Covid-19 in a matter of months isn’t the only colossal challenge. The next major test: getting billions of doses
to all corners of the world at a time when countries increasingly are putting their own interests first. A variety of financing tools are under consideration to spur production of large quantities of potential vaccines and ensure they’re distributed equitably. In one arrangement, developers would agree to provide shots at affordable prices in return for funding commitments from governments or other donors. The stakes are immense with coronavirus sickening more than 3 million people, even as billions hide from the pathogen indoors. Health advocates are worried about wealthier nations monopolizing the global supply of coronavirus vaccines should companies succeed, a scenario that played out during the 2009 swine flu pandemic. Distributing shots widely, they say, isn’t just the right thing to do—it’s also crucial in curbing the spread of the virus. Read more from James Paton.

Meanwhile, researchers continue to debate how fast a coronavirus vaccine may be available as states and nations look for a fast track to recovery from the pandemic’s economic toll, with January or even the fall now on the timetable. British scientists hope to see a “signal” on whether their vaccine candidate is working by June, John Bell, professor of medicine at Oxford University, said yesterday, reports Ros Krasny. Trump in an interview with Fox News last night said he was confident a vaccine would be developed by the end of the year.

**FDA Approves Gilead Drug for Emergencies:** Gilead’s antiviral drug remdesivir was cleared by federal regulators for emergency use in Covid-19 patients, becoming the first medication supported by early clinical data to be made available to fight the novel coronavirus. Remdesivir reduced the time it took hospitalized Covid-19 patients to recover in an interim analysis of a study that is ongoing. The FDA granted an emergency-use authorization, Trump said Friday, a move in which the agency can let products be used without a complete review of their safety and efficacy. Read more from Drew Armstrong.

Gilead is also seeking ways to make its experimental medicine more broadly available, potentially treating Covid-19 patients in the outpatient setting, the company's CEO Daniel O'Day said on Friday. Read more here. O'Day also Friday said he promises to make remdesivir affordable. Gilead has gone from 5,000 remdesivir treatment courses to 100,000, and the drugmaker expects to have millions available by the end of the year, he said. Read more here.

**FDA Approves Roche Test for Emergencies:** Roche Holding became the latest company to win emergency federal clearance for a coronavirus antibody test and promised a fast scale-up of the tool that the White House hopes will smooth the reopening of economies. The Swiss giant expects production of the test to reach the high double-digit millions by next month, and pass the 100 million monthly threshold later this year. The test seeks out antibodies in blood that have been raised to fight off the virus that causes Covid-19. Roche’s test version runs on a high-volume instrument that can produce a single result in 18 minutes and as many as 300 results in an hour, the company said in a statement Sunday after receiving emergency authorization from the FDA. Tim Loh and Catherine Bosely have more.

**Doctors Push for ‘Czar’ to Coordinate Tests, Supplies:** U.S. doctors and other health-care workers dealing with the pandemic are urging a coordinated federal effort to make sure medical equipment, protective gear, and tests get to where they are needed, urging the administration in a letter for a “medical equipment czar” and a task force to specifically oversee supply and
distribution of the gear. Senate Democrats last week introduced a bill that would federalize the medical supply chain. Read more from Susan Decker.

**Maryland Test Kits Under Guard:** Maryland Gov. Larry Hogan (R) said 500,000 of novel coronavirus test kits acquired from South Korea, so far unused, are at an undisclosed location protected by the National Guard and police to prevent the U.S. government from commandeering them. “There had been several reports of shipments being intercepted or diverted by the federal government from a couple of my colleague governors from around the country,” Hogan told CNN’s “State of the Union.” Read more.

**Hospitals in Hot Spots to Get Aid Based on Admissions:** Hospitals in Covid-19 “hot spots” will get funding from the Trump administration based on how many patients they admitted, HHS announced on Friday. HHS detailed how it will distribute $22 billion in additional funding to health-care providers in Covid-19 hot spots and rural areas after criticisms over how the first round of funding was released. Congress has appropriated a total of $175 billion for the provider relief fund. But the first $30 billion released has been plagued by complaints from lawmakers and health-care providers that it didn’t go where it was most needed because it was allocated based on previous Medicare payments. Read more from Shira Stein.

**Trump Promises ‘Conclusive’ U.S. Report on Virus’s China Origins:** Trump promised a “conclusive” report on the Chinese origins of the coronavirus outbreak, showing relations between the world’s biggest economies are set to remain rocky at least until the next election six months from now. Trump pledged the report Sunday in a “virtual town hall” with Fox News, in which he added that he had little doubt that Beijing misled the world about the scale and risk of the disease. Earlier, Secretary of State Michael Pompeo said “enormous evidence” shows the Covid-19 outbreak began in a laboratory in the central Chinese city of Wuhan, without providing evidence to support his claims. “We're going to be giving a very strong report as to exactly what we think happened. And I think it will be very conclusive,” Trump said in response to a question about the lab. “My opinion is they made a mistake. They tried to cover it. They tried to put it out, just like a fire.” Read more from Jordan Fabian, Jennifer Jacobs and Iain Marlow.

**Assistant U.S. Attorney Tapped for HHS IG:** Trump will nominate Jason Weida to be inspector general for the Department of Health and Human Services, the White House announced late Friday. The announcement comes after Trump criticized Principal Deputy Inspector General Christi Grimm during a White House press conference on April 6 after she released a report on severe hospital shortages of Covid-19 tests and equipment. Read more from Shira Stein.

**Generic Drug Decisions Stall Amid Pandemic:** Patients with cancer, kidney disease, and other illnesses could have to pay higher drug prices for months longer than they otherwise would have thanks to court delays caused by the coronavirus pandemic. At least six patent infringement lawsuits over brand-name drugs are at risk of surpassing, or are already set to exceed, Food and Drug Administration timelines for approving generic versions, according to a Bloomberg Law review of court dockets. Depending on how long the Covid-19 crisis goes on, that list could grow. Read more from Valerie Bauman.
Transportation

Starving off Insolvency for Roads, USPS: Deadlines await for highway funds and the U.S. Postal Service unless Congress acts before the end of the fiscal year on Sept. 30. As lawmakers being returning to Washington today after several weeks of working from home, leadership must work to find funding for the surface transportation bill and to offset USPS losses from Covid-19. The majority of congressional stakeholders have not introduced legislation to authorize funding for highway and mass transit programs; despite the approaching deadline for the current authorization. If a reauthorization deal cannot be reached by the end of September, an extension is possible.

The Highway Trust Fund will be insolvent after fiscal 2021 if lawmakers don’t enact authorizing legislation with additional funding. The trust fund primarily relies on receipts from the federal motor fuels tax, which haven’t increased since 1993, and other excise taxes.

- Senate Majority Leader Mitch McConnell (R-Ky.) has said he will not bring the bill passed by the Senate Environment and Public Works Committee to the floor without a plan to pay for it.
- House Ways and Means Chairman Richard Neal (D-Mass.) said his committee will not offer a funding stream until he reaches an agreement on it with Treasury Secretary Steven Mnuchin.
- Meanwhile, Sens. John Thune (R-S.D.) and Gary Peters (D-Mich.), who drafted the AV START Act in the 115th Congress, are trying again to pass an autonomous vehicle bill and are working with their House counterparts. A compromise measure could be part of a National Highway Transportation Safety Administration title of a surface transportation bill.

The U.S. Postal Service estimated in April that the coronavirus pandemic will increase its net operating loss by more than $22 billion over 18 months, and leave it without cash by Sept. 30 if Congress doesn't act. The CARES Act (Public Law 116-136), the third coronavirus package passed by Congress in March, included a $10 billion line of credit for the Postal Service, though the Trump administration is unlikely to lend it money with no strings attached. Still, House Democrats want to provide funding for USPS in the next coronavirus response package.

- President Donald Trump said he wouldn't approve aid for the Postal Service unless it raises its package delivery prices, which he says are too low and benefit Amazon.
- The Trump administration called for other changes in its fiscal 2021 budget request, such as reducing Postal Service employee wages and modifying the requirement to prefund retiree health benefits.

Pandemic Effects on Aviation: The Senate Commerce, Science, and Transportation Committee will examine the state of the aviation industry and the effects of the Covid-19 pandemic on Wednesday. Aerospace Industries Association CEO Eric Fanning, Airlines for America CEO Nicholas Calio, and American Association of Airport Executives CEO Todd Hauptli will testify.
**Covid-19 Pay, Health Care Bills for TSA Workers:** Members of the Homeland Security Committee on Friday introduced new legislation to expand health and pay benefits for Transportation Security Administration workers affected by the coronavirus pandemic, seeking to have them included in future coronavirus response measures.

Transportation and Maritime Security Chairman Lou Correa (D-Calif.), and Rep. Dina Titus (D-Nev.) sponsored a bill (H.R. 6647) that would require TSA to lower out-of-pocket costs on health-care insurance premiums for part-time employees and allow all employees to adjust their health-care enrollment during national emergencies.

Rep. Donald Payne Jr. (D-N.J.) sponsored a bill (H.R. 6655) that would require the Office of Personnel Management to create a hazardous duty pay category for TSA employees and other frontline federal workers that have been exposed to Covid-19.

Rep. Val Demings (D-Fla.) sponsored a bill (H.R. 6656) that would remove existing requirements that employees seeking workers’ compensation benefits prove they were infected on the job.

**Carnival Facing House Panel Probe on Covid-19:** House Transportation and Infrastructure Chairman Peter DeFazio (D-Ore.) is requesting a wide-ranging collection of internal Carnival documents and correspondence related to its outbreak response, as well as specific assurances about Carnival’s plans for improvement. “We would hope that the reality of the Covid-19 pandemic will place a renewed emphasis on public health and passenger safety, but frankly that has not been seen up to this point,” DeFazio wrote in the letter to Carnival President and CEO Arnold Donald that was also signed by Rep. Sean Maloney (D-N.Y.), who chairs the maritime transportation subcommittee. “It seems as though Carnival Corporation and its portfolio of nine cruise lines, which represents 109 cruise ships, is still trying to sell this cruise line fantasy and ignoring the public health threat.” The panel also sent letters to the U.S. Coast Guard, and the Centers for Disease Control and Prevention. [Austin Carr has more on the probe.](#)

**Major Water Infrastructure Bills Move Ahead:** The Senate Committee on Environment and Public Works gathered the last few comments Friday on its plans to move two mammoth water infrastructure packages this year. The bills reauthorize legislation on water resource development and the Safe Drinking Water Act. The panel will hold a full committee markup on both water bills on Wednesday.

The Senate legislation includes the America’s Water Infrastructure Act of 2020, which centers mostly on Army Corps of Engineers projects and policy, and would authorize roughly $17 billion in infrastructure projects. The drinking water infrastructure measure proposes roughly $2.5 billion in authorizations, and $300 million in grants for cleaning drinking water from emerging contaminants, particularly toxic PFAS, or per- and polyfluoroalkyl substances.

At the same time, the House Transportation and Infrastructure Committee is gearing up to introduce its own big water bill, which should come by month’s end and be marked up over the
summer, according to a committee aide. That bill’s focus would be narrower, reauthorizing funding for water projects and policy under the Water Resources Development Act, largely under the purview of the Army Corps of Engineers. Dean Scott has more details on both chambers’ activities.

TSA, Industry in Talks on Fever Checks: An airline trade group is in discussions with the Transportation Security Administration about using airport security screeners to perform temperature checks on passengers before they board aircraft. Ensuring that people with fevers aren’t allowed to fly is seen as a possible safety layer that could reduce the risks of spreading the virus causing Covid-19 as well as boosting the confidence of customers. The talks about temperature checks or other health-screening measures at airports between the TSA and airlines are still preliminary and it remains to be seen whether such a plan would be feasible and would actually make a difference in reducing infections, two people familiar with the discussions said. Alan Levin and Mary Schlangenstein highlight challenges facing the plan.

Airline Passenger Counts Rebound to 1956 Levels: The virus-ravaged U.S. airline industry rebounded ever so slightly in the past week, topping 100,000 passengers each day for the first time since early last month. Airlines flew an average of 124,556 passengers a day April 24-30 after hovering at as little as 95,000 earlier in the month, according to data posted by the Transportation Security Administration. But that offers little solace to the industry bleeding billions of dollars in losses with an uncertain path to recovery, Bloomberg News reports.

An $85B Airline Rescue May Prolong Pain: Governments have devoted more than $85 billion to propping up airlines after the coronavirus pandemic wiped out travel demand and grounded jetliner fleets. But with job cuts racking up — 20,000 were announced in Europe this past week — a debate is raging over whether opening the spigot will do more than merely delay the inevitable.

Carmakers Dodge Disaster: Zero-percent financing deals hit a record last month as carmakers kept the U.S. auto market from collapsing. More than one in every four new vehicles sold in April did so with 0% loans, according to market researcher Edmunds. By opening up the lending spigots, the U.S. avoided a reprise of the almost 80% drop automakers experienced in China in February, the month the coronavirus hit the world’s largest car market hardest. Both 0% offers and longer-term loans are buoying demand at a time when large swaths of the country are under stay-home orders and many dealerships are forced to keep showrooms shut. Read more from Gabrielle Coppola and Chester Dawson.

Months-Long Test for SpaceX’s Flight With Humans: SpaceX’s first Crew Dragon flight carrying NASA astronauts could last several months as the space agency weighs its staffing needs on the International Space Station. The May 27 test flight will be the first time NASA personnel blast off from the U.S. since the 2011 retirement of the Space Shuttle. Astronauts Doug Hurley and Bob Behnken are scheduled to arrive at the space station on May 28 and stay for at least 30 days — and possibly as long as 110, NASA said Friday during a day of media preview events. The mission duration will be determined by the readiness of the next commercial crew launch. Read more from Justin Bachman.
Uber to Face Antitrust, Negligence Suits: Two different courts in San Francisco on Friday allowed their lawsuits against Uber to proceed. Mike Leonard recaps claims in one case that the company drove ridesharing pioneer Sidecar out of business by leveraging the support of its deep-pocketed venture capital backers to operate at a loss for years, a San Francisco federal judge ruled. In another case, U.S. Magistrate Judge Jacqueline Corley ruled Friday a woman — who was allegedly raped by a driver whose car had the company’s windshield decal — could proceed on her negligence claims that Uber should have instructed the alleged assailant, a suspended driver for the ride-hailing service, to remove and return the decal. Malathi Nayak has more on the case.

Drone Advisory Committee to Meet Virtually: The FAA announced a virtual meeting of the Drone Advisory Committee for June 19.

Economy

Democrats Slam Trump’s Coronavirus Stimulus Oversight: Joe Biden and Sen. Elizabeth Warren (D-Mass.) lambasted what they called the Trump administration’s weak oversight of trillions of dollars in coronavirus relief spending in an op-ed published yesterday. The Democrats laid out what they termed the administration’s failings and how Biden, as president, would strengthen supervision of the funds being spent to prop up the U.S. economy.

Biden, the presumptive Democratic presidential nominee, and Warren, a former 2020 contender who’s seen as a possible vice presidential pick, said Trump has ignored the law requiring oversight of the stimulus funds. They also criticized him for firing an inspector general responsible for independently overseeing the spending. “Both of us have served in Congress overseeing the executive branch,” they wrote in the piece for McClatchy-owned newspapers. “We have also both served in the executive branch and answered to independent oversight. Take it from us: Oversight is vital to an effective democracy and a fair economy, and it’s a threat only if you have something to hide.” Read more from Tyler Pager.

Meanwhile, the watchdog created to monitor the work of the Treasury Department and the Federal Reserve in buffering corporate America and Main Street from the Covid-19 pandemic is functioning like an ad hoc committee as it waits for a chairman to start formal operations. The congressional oversight panel, formed as part of the $2.2 trillion pandemic relief bill, is expected to issue its first report in mid-May but still has no leader and has yet to conduct any formal meetings, said Rep. Donna Shalala (D-Fla.), who was appointed to the five-person panel. “We have no staff, we have no office,” Shalala said in an interview on Friday. The panel’s first public report is due around mid-month. Read more from Laura Davison and Saleha Mohsin.

SBA Touts More Small Businesses Getting Relief Funds: Fresh figures from a government coronavirus relief program for small businesses that’s been criticized for giving loans to large companies and favoring certain states show disparities in approvals among states have been largely eliminated, and suggest more smaller firms are getting loans. The Small Business Administration released updated data yesterday for the second round of funding for its
Paycheck Protection Program, which offers loans of as much as $10 million that can become grants. While firms in Nebraska and other rural states got an outsize share of the initial tranche compared with New York and other areas hit harder by the outbreak, an analysis shows subsequent lending has erased most of the disparity. Read more from Mark Niquette and Zachary R. Mider.

- Small businesses that struggled to get loans from the government pandemic relief program still don’t know how much they may have to repay after the government missed a deadline to give specific guidance. The SBA was supposed to clarify by April 26 how the loans can be spent and still qualify to become grants. Companies and lenders say they need more guidance on how to calculate the amount that’s eligible for forgiveness and what documentation is required to support the claims. Read more from Mark Niquette.

- A major Trump donor whose companies are among the biggest known recipients of rescue loans for small businesses hurt by the coronavirus outbreak said he will return the money. Texas hotelier Monty Bennett, whose companies own 130 properties across the country, said Saturday that he will return the loans provided under the Small Business Administration’s Paycheck Protection Program. Bennett said new restrictions meant those companies may no longer qualify. David McLaughlin reports.

**Treasury’s $4 Trillion Funding Task Signals Auction Slate:** Treasury Secretary Steven Mnuchin is likely to boost the government’s quarterly round of debt auctions to unprecedented levels this week to finance a deficit that’s set to surpass estimates of $4 trillion for this year as lawmakers discuss additional economic stimulus. Treasury’s announcement Wednesday on its issuance plans for the coming months will signal how Mnuchin plans to manage a debt burden that’s poised to eclipse the record seen in the wake of World War II as a share of the economy. Analysts see the department needing to raise massive amounts of cash every quarter possibly into 2021. Read more from Liz Capo McCormick and Saleha Mohsin.
Roche Antibody Test Gets Approval: Roche became the latest company to win emergency U.S. approval for a coronavirus antibody test and promised a fast scale-up of the tool that policy makers hope will smooth the reopening of economies. The Swiss giant expects production of the test to reach the high double-digit millions by June and pass the 100 million monthly threshold later this year. The test looks for antibodies in blood that have been raised to fight off the virus that causes Covid-19. Eduard Gismatullin, Catherine Bosley and Tim Loh have more.

- Researchers continue to debate how fast a coronavirus vaccine may be available as states and nations look for a fast track to recovery from the pandemic’s economic toll, with January or even the fall now on the timetable. British scientists hope to see a “signal” on whether their vaccine candidate is working by June, John Bell, professor of medicine at Oxford University, said yesterday, reports Ros Krasny. Trump last night said he was confident a vaccine would be developed by the end of the year.

Campaign Trail
Noon: Joe Biden participates in virtual town hall hosted by the League of United Latin American Citizens

The focus of the event is protecting essential workers; link to livestream here

Elections Loom: The far-reaching political fallout from the coronavirus outbreak includes election delays, a suspension of retail campaigning and an increase in absentee voting. But the pandemic’s effect on 2020 is more fundamental than that — it has altered the contours of the presidential race and, with it, the battles for control of Congress. Kyle Trygstad looks ahead at the road to November.

The coronavirus pandemic has already postponed primaries, transformed how candidates campaign, and spurred calls to make voting easier — and the list of its effects on the 2020 elections is unlikely to end there. Greg Giroux looks at how the virus reshapes campaigns.

A diverse group of election scholars want officials, candidates, the media, and voters to do all they can to ensure the integrity and legitimacy of the November elections, especially as the coronavirus has exacerbated concerns about voting. The Ad Hoc Committee for 2020 Election Fairness and Legitimacy was convened by Richard L. Hasen, the author of the 2020 book “Election Meltdown” and a law and political science professor at the University of California at Irvine. Hasen spoke with Bloomberg Government senior reporter Greg Giroux about the report and its recommendations. Read it here.

Obama Alumni Say No Biden Allegations Found: The leader of the team that vetted Biden to be Barack Obama’s 2008 running mate said that Tara Reade’s allegations of sexual assault by Biden never surfaced during an extensive investigation.

Biden, facing the most serious incident of his 2020 presidential campaign, and his allies have begun a vigorous defense effort against Reade’s allegations. She says that in 1993, when she was staffer in his Senate office, then-Senator Biden pushed her against a wall in a Capitol Hill office building, reached under her skirt and sexually assaulted her with his fingers. Biden said Friday that the allegations “aren’t true. This never happened.” He’s directed Senate officials to find and release a written complaint that Reade says she filed at the time, but Biden insists doesn’t exist.

A team of eight to 10 lawyers, led by Bill Jeffress, spent almost two months vetting Biden to be Obama’s vice president. Jeffress told Bloomberg News on Saturday that neither Reade’s name nor her allegations came up. Jeffress also said no rumors of misconduct were floating around at the time. Read more from Tyler Pager.

Michigan Gov. Gretchen Whitmer, considered a possible Democratic vice presidential pick, said yesterday she believed Biden’s denial. “I have read a lot about this current allegation. I know Joe Biden, and I have watched his defense. And there’s not a pattern that goes into this,” Whitmer told CNN’s “State of the Union.” Read more from Magan Crane.

Former presidential candidate and Sen. Kirsten Gillibrand (N.Y.), a leading voice in the #MeToo movement, will headline a national “Women for Biden” call hosted by Joe Biden’s campaign for president on Thursday. Read more from Magan Crane.
**Warren Is Favorite VP Pick in CBS Poll:** Elizabeth Warren topped the wish list for Joe Biden’s running mate among Democratic voters, according to a new CBS poll released on Sunday. Warren had 36% support as voters’ first choice, with Sen. Kamala Harris (D-Calif.) at 19%, Georgia gubernatorial candidate Stacey Abrams at 14%, and Sen. Amy Klobuchar (D-Minn.) at 13%. By a seven to one margin, Democrats with a preference want the running-mate pick to be a woman. Read more from Hailey Waller.

**Trump Claims Again Biden Wrote Apology That Biden Denies:** Trump claimed yesterday that Biden wrote a letter to apologize for calling him xenophobic -- something Biden has repeatedly said is a lie. Trump said during the “virtual town hall” event that after he ordered China travel restrictions on Jan. 31, “They called me a racist, they said xenophobic.” “Biden said, ‘he was xenophobic,’” Trump said at the event. “Biden has now written a letter of apology because I did the right thing. I saved hundreds of thousands of lives.” Read more from Jordan Fabian.

**Biden Wins in Kansas After All-Mail-In Vote:** Biden easily won the Democratic primary in Kansas after a vote that wrapped up on Saturday, conducted entirely via mail-in ballots because of the coronavirus pandemic, Ros Krasny reports. The Associated Press reported yesterday that Biden received 77% of the vote over Sen. Bernie Sanders (I-Vt.) with 23%. Sanders ended his campaign in April but was still in the running when the state Democratic party started mailing ballots to voters in late March.

**Bush’s Coronavirus Video Has Critics Nostalgic:** Former President George W. Bush says Americans should come together as one to confront the coronavirus pandemic that claimed the lives of over 66,000 in the country so far. In a video released on Saturday, the 43rd U.S. president said, “We are not partisan combatants. We’re human beings, equally vulnerable and equally wonderful in the sight of God.” It got the Republican, who left office in January 2009 and typically keeps a low profile, trending on the social media site. Read more on the reactions from Hailey Waller.

**Other stories**

**DOJ Backs Virginia Church in Distancing Dispute:** The U.S. Department of Justice filed a statement of interest in a federal court, siding with a Virginia church in one of the first Trump administration interventions over state and local social distancing rules. The move comes a week after Attorney General William Barr directed top Justice Department prosecutors to take legal action against state and local officials if their coronavirus restrictions go too far. Read more from Sebastian Tong.

**Warren Doubts Effort to Get Cash to Contractors:** Sen. Warren is questioning whether the Pentagon’s policy of increasing payment rates for contractors -- intended to keep assembly lines humming during the coronavirus outbreak -- has sufficient oversight and is helping the companies which need it most. Warren, who raised her doubts in an April 30 letter, is the first
lawmaker on a congressional defense committee to publicly question the rationale for the increased rates, and whether the Pentagon will ensure payments flow to subcontractors. Read more from Tony Capaccio.

China Trade Deal Turns From Trump Re-Election Asset to Albatross: The trade agreement Trump signed with China less than four months ago has gone from a cornerstone of his re-election bid to a potential political liability as the pandemic sours the relationship between the world’s two biggest economies. Read more from Jenny Leonard and Tyler Pager.

Raab Says U.S., U.K. to Start Free Trade Talks: The U.K. and the U.S. will start work this week on a free trade agreement that will benefit both countries in the global downturn, U.K. Foreign Secretary Dominic Raab said in a tweet, Sebastian Tong reports.

NASA Sees Months-Long Test for SpaceX’s Debut Flight: SpaceX’s first Crew Dragon mission carrying NASA astronauts could last several months as the space agency weighs its staffing needs on the International Space Station. The May 27 test flight will be the first time NASA personnel blast off from the U.S. since the 2011 retirement of the Space Shuttle. It marks a significant milestone for the agency’s program to have two American companies provide transportation to the space station. It will also be the first time SpaceX has flown humans. Read more from Justin Bachman.

Kim Jong Un Reminds World of Nuclear Threat: The place North Korean leader Kim Jong Un visited may be just as significant as showing his face in public after a three-week absence that raised questions about his health and control of the nuclear-armed state. State media on Saturday said Kim celebrated the completion of the Sunchon Phosphatic Fertilizer Factory north of Pyongyang, the capital. Although the inspection tour itself appeared routine, the facility has been the subject of high-level attention for years due to its dual-use potential: North Korea could possibly tap it to increase production of both food and nuclear weapons. Read more from Jon Herskovitz and Kanga Kong.

Today on the Hill

Senate

- 3:00 pm: The Senate meets after an absence of almost six weeks; considers nomination of Robert Feitel to be Nuclear Regulatory Commission inspector general

House

- House leaders last week abandoned plans to reconvene today, citing concern about Covid-19 spread

Both chambers are trying to figure out next steps on response to the coronavirus
SUPREME COURT

- The high court hears its first-ever argument by telephone today, opening a two-week remote session that includes disputes over subpoenas for Trump's financial records
- 9:30am: Orders issued
- 10:00am: Arguments via telephone in case on trademark protection for website names that use a common word

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MLA Lobbyists at O'Neill and Associates
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