

American Nephrology Nurses Association

Daily Capitol Hill Update – Friday, May 1, 2020

(The following information comes from Bloomberg Government Website)

Schedules: White House and Congress

WHITE HOUSE

- 11:30am: President Trump receives intelligence briefing
- 12:30pm: Trump has lunch with VP Mike Pence
- 4:15pm: Trump participates in presidential recognition ceremony
- 5pm: Trump departs for Camp David
- 2pm: Press Sec. Kayleigh McEnany holds first press conference

CONGRESS

- The Senate is due to return Monday even as Mitch McConnell faces calls from Democrats to reconsider

Congressional, Health Policy, and Political News

- **HHS Awards \$20 Million for Telehealth Access:** The federal government will give \$20 million to half a dozen national organizations and a university to boost telehealth access for vulnerable groups, including pregnant women and young children. The funding is aimed at increasing infrastructure and helping health-care providers get licensed to provide virtual care across state lines, the HHS said yesterday.
- **Red States Will Need Bailouts, Too:** Many of the states that are ground zero for the Covid-19 pandemic – New York and New Jersey, as well as California and Illinois – are solidly Democratic. But the fiscal challenges that states now face aren't limited to the blue ones and go well beyond pension obligations. States across the country are reeling from a brutal double whammy of lost revenue: With 30 million people thrown out of work in the past several weeks, income tax collections are tanking, and sales taxes have evaporated after stores and restaurants shuttered. Most states receive a majority of their revenue from those two sources.
 - An analysis backed by data from the Congressional Budget Office contends the pandemic could trigger state budget shortfalls of \$650 billion over three years. The Center on Budget and Policy Priorities, a progressive think tank, on Wednesday issued a new estimate of the coronavirus outbreak's impact on the states based on recent CBO data and updated projections from economists at Goldman Sachs.
 - The revised estimate suggests states will experience revenue shortfalls "substantially deeper than during the Great Recession." Specifically, CBPP estimated losses of \$110 billion for fiscal year 2020, \$350 billion for fiscal year 2021, and \$190 billion for fiscal year 2022. Those numbers compare to the estimate of a \$500 billion shortfall the center announced in mid-April.

- **Justice Sees Early Fraud Signs in SBA Loans:** The Justice Department has begun a preliminary inquiry into how taxpayer money was lent out under the Paycheck Protection Program and has already found possible fraud among businesses seeking relief, a top official said. Assistant Attorney General Brian Benczkowski, who runs the department's criminal division, said prosecutors have contacted 15 to 20 of the largest loan processors and the Small Business Administration, which oversees one relief program, as part of an effort to police the trillions of dollars in federal aid being pushed out hastily to blunt the economic impact of the coronavirus pandemic.

- **IRS Denies Deductions for Forgiven PPP Loans:** Small businesses that manage to get their Paycheck Protection Program loans forgiven may find themselves losing valuable tax breaks, according to new guidance from the Internal Revenue Service. Companies that qualify for loan forgiveness under legislation Congress approved won't be able to deduct the wages or other businesses expenses they paid for using the loan, according to an IRS notice published yesterday. "This treatment prevents a double tax benefit," the agency said in the notice.

 - Meanwhile, new IRS FAQs provide conflicting guidance for taxpayers, deviating from a nonpartisan congressional committee's interpretation of applying health care expenses toward a tax break for businesses who keep employees on their payroll during the coronavirus pandemic. The agency answered more than 90 FAQs, giving businesses much of the clarity they need to proceed with claiming the employee retention credit worth up to \$5,000 per employee. But one significant difference between the IRS guidance, which was updated Wednesday, and the Joint Committee on Taxation's recent description of the benefit could complicate employers' decision-making, especially since neither of the items are legally binding – meaning taxpayers can't rely on them to support an argument in court.
 - House Ways and Means Chairman Richard Neal (D-Mass.) wants a public briefing from the IRS within seven days on the coronavirus stimulus payments being provided to taxpayers. "I feel very strongly that Americans deserve to hear from the Administration on this important topic and have their questions answered directly by IRS officials," Neal said in letter to Treasury Secretary Steven Mnuchin and IRS Commissioner Charles Rettig.

- **Fed Expands PPP to More Lenders:** The Federal Reserve yesterday said it's expanding a program that helps the government provide stimulus loans to small businesses and is designed to keep workers on payrolls during the coronavirus pandemic. The Fed said in a statement that it broadened access to its PPP Liquidity Facility to additional lenders such as non-depository institutions. The central bank also widened the collateral that can be pledged. The Trump administration earlier yesterday laid out criteria allowing non-bank lenders to handle loans "to ensure broad and diverse lender participation."

 - The Fed also revamped its Main Street Lending Program in ways that will allow battered oil companies to qualify for the aid after industry allies lobbied the Trump administration for changes. Larger, more heavily indebted companies can now qualify and use the money to pay off prior loans under the changes the central bank

announced yesterday. The move opens the door to more oil and gas producers, said Sen. Kevin Cramer (R-N.D.), who pressed the administration on the issue as energy companies struggle to survive an epic collapse in fuel demand and crude prices.

- **Private Pilots Get FAA Relief:** Federal aviation regulators are extending the testing deadlines for thousands of private pilots, flight schools and smaller commercial aviation operations because of the pandemic. The Federal Aviation Administration, using emergency tools to quickly enact new regulations, said in a filing that it plans to adopt the measures on May 4. The agency has taken several earlier steps to give similar relief to airlines. "This relief allows operators to continue to use pilots and other crew members in support of essential operations during this period," the agency said in a posting.
- **Vaccine Effort Ramps Up:** The race is on to be the first developer of a coronavirus vaccine, with global drugmakers and the White House seeking to compress into just months a process that normally takes several years. Whether it can happen remains an enigma.
 - For the Trump administration, news of a successful vaccine could calm the virus's toxic effects on the U.S. economy in the midst of an ongoing presidential campaign. Trump's goal with "Operation Warp Speed," a covert push reported on this week, is for hundreds of millions of doses to be produced by year's end. "I'm not over-promising," Trump said in a White House meeting with New Jersey Gov. Phil Murphy (D) yesterday. "You know who's in charge of it, honestly? I am."
 - The White House initiative aims to compress research, testing and manufacturing of a vaccine by as much as eight months, pulling in health agencies, military resources and drugmakers. The plan, which could result in billions of dollars in government spending, hasn't been rolled out in full. The idea is that the government would bear some of the financial risk that would normally fall to individual drugmakers, according to people familiar with the plan. The administration would facilitate the running of multiple processes in parallel to build out manufacturing for vaccines, some of which could fail, said the people who asked not to be identified because the specifics aren't yet public.
- **Senate Privacy Bill Planned on Covid-19 Tracking:** A planned Senate bill from top Republicans would require companies such as Apple and Alphabet's Google to obtain consent to collect people's health or location data as part of a response to the coronavirus pandemic. The bill, which is expected to be introduced by four lawmakers when the Senate resumes next week, comes as privacy concerns mount over the collection of user data to trace the spread of coronavirus. A draft was confirmed by two GOP staffers.
- **Covid-19 Pandemic Likely to Last Two Years, Report Says:** The coronavirus pandemic is likely to last as long as two years and won't be controlled until about two-thirds of the world's population is immune, a group of experts said in a report. Because of its ability to spread from people who don't appear to be ill, the virus may be harder to control than influenza, the cause of most pandemics in recent history, according to the report from the

Center for Infectious Disease Research and Policy at the University of Minnesota. People may actually be at their most infectious before symptoms appear, according to the report.

- After locking down billions of people around the world to minimize its spread through countries, governments are now cautiously allowing businesses and public places to reopen. Yet the coronavirus pandemic is likely to continue in waves that could last beyond 2022, the authors said.
- **McConnell Spoke With MLB Chief:** Senate Majority Leader Mitch McConnell (R-Ky.), in an interview with a Kentucky sports radio station, said he spoke with Major League Baseball Commissioner Rob Manfred a few weeks ago to discuss getting the season back up and running. “I called the commissioner of baseball a couple of weeks ago and I said, ‘America needs baseball. It’s the sign of getting back to normal. Any chance?’” McConnell told 93.9 FM WLCL. He said there’s discussion about how to salvage at least part of the season starting around July 4.
- **Homeland Chair Wants ICE Contractor Detention Info:** House Homeland Security Chairman Bennie Thompson (D-Miss.) sent letters to private prison companies CoreCivic, The GEO Group, and others which manage some detention facilities for Immigration and Customs Enforcement yesterday. Thompson pressed for more information about how the companies are trying to halt the rising spread of coronavirus, citing media reports indicating the groups were preventing staff and detainees from wearing masks. Thompson also pressed for information on how many staff tested positive.
 - Meanwhile, the American Civil Liberties Union and Capital Area Immigrants’ Rights Coalition filed a lawsuit against the Trump administration alleging failure to provide fair hearings and release to immigrants in detention, a situation they said puts those individuals in heightened jeopardy due to the spread of the virus in facilities.
- **Democrat Wants Job-Training Funds to Top Great Recession Level:** The top Democrat on the House labor panel is proposing a bill to nearly double the investment in workforce-training programs Congress made during the Great Recession, setting up another point of possible partisan tension as lawmakers move toward negotiations on the next major virus-relief package.
 - House Education and Labor Committee Chairman Bobby Scott (D-Va.) will introduce a proposal Friday to spend \$15 billion on workforce-training programs, dwarfing the commitment in the \$2.2 trillion CARES Act, which featured a \$345 million grant program for unemployed workers. The bill would give states funding to beef up vocational training programs and other employment services to aid the flood of newly jobless workers, a number that has now eclipsed 30 million.
- **Trump Campaign to Break TV Hiatus:** Presidential candidates saturated the airways with more than 9,000 hours of political ads this winter. But since most of the country went into a virus-fueled lockdown, neither Trump nor Joe Biden have broadcast a single 30-second television spot.

- Now, Trump's re-election campaign is set to release a flood of advertisements touting his response to the coronavirus pandemic after both camps wrestled with how to make their case to nervous voters without seeming tone deaf amid the crisis and its economic fallout. A senior Trump campaign official said the president is spending seven figures on a nationwide ad blitz praising his management of the crisis.
 - The commercials, which will begin appearing on Sunday, are meant to be inspirational and to signal the start of economic recovery after more than a month of lockdown because of social-distancing requirements, the official said.
- **Biden to Address Assault Allegations on TV:** Biden will address Tara Reade's sexual-assault allegations for the first time today in an interview on MSNBC, the network announced yesterday. Reade, a former aide in Biden's Senate office, said in 1993, Biden pushed her against a wall in a Senate office building, put his hand up her skirt and sexually assaulted her with his fingers. The Biden campaign has denied the allegations as have other former Biden aides, but the presumptive Democratic nominee has yet to address Reade's claims himself. MS NBC said Biden would be joining "Morning Joe" to do so for the first time.
 - Trump said yesterday that Biden should respond to the assault allegations and said they could be false. Trump said he knows "all about false accusations," arguing he's been falsely accused a number of times.
- **Pence Says Flynn Likely Didn't Intend to Mislead:** Vice President Mike Pence said he increasingly believes former White House National Security Adviser Michael Flynn didn't intend to mislead him about conversations with a Russian official before Trump took office. "I'm more inclined to believe it was unintentional than ever before," Pence told reporters yesterday after a tour of a General Motors plant in Indiana that's building hospital ventilators. "When you see the nature of abusive actions by Justice Department officials toward him, it's deeply troubling."
- **Supreme Court to Hold First Livestream Arguments:** For the first time in history, people outside the U.S. Supreme Court's walls will be able to hear arguments as they happen. It may not be baseball, but plenty of court watchers and casual fans alike are excited for the action. The institution rejects cameras in the courtroom or even same-day audio, but the coronavirus threw it a curveball and now the justices are livestreaming 10 arguments over the next two weeks, with that audio carried to the public by C-Span and other networks.
 - Kimberly Strawbridge Robinson details those controversies to be considered by the nine justices over six dates, beginning May 4 and wrapping up on May 13. They'll be phoned in by counsel as the court abides social distancing requirements necessitated by the pandemic. The lineup starts with some table-setters, less weighty cases, presumably to work out any kinks, then finishes with some heavy hitters — cases involving subpoenas for Trump's financial records and a dispute over faithless Electoral College electors.

- **Trump Eyes Order to Block Savings Fund From Chinese Stocks:** Trump is exploring blocking a government retirement fund from investing in Chinese equities considered a national security risk, a person familiar with the internal deliberations said. The Thrift Savings Plan — the federal government’s retirement savings fund — is scheduled to transfer roughly \$50 billion of its international fund to mirror an MSCI All Country World Index, which captures emerging markets, including China. The move comes after months of pressure from concerned lawmakers such as Sen. Marco Rubio (R-Fla.).
- **Trump Attack on Sweden Revives Covid-19 Controversy:** Trump’s latest verbal attack on Sweden has reignited a debate on whether the country’s relaxed approach to fighting Covid-19 is madness or genius. Trump yesterday sought to direct attention toward developments in Sweden. “Despite reports to the contrary, Sweden is paying heavily for its decision not to lockdown,” he tweeted.
 - Johan Carlson, the director general of Sweden’s public health agency, said Trump’s comments weren’t weighing on his deliberations. “The important thing is that you make sure you keep the disease under control so that the health-care system isn’t overloaded, and so far we’ve managed that,” he said, according to a report in Aftonbladet.
- **Warren Urges SEC to Require Climate Change Disclosures:** Sen. Warren is urging the SEC to require public companies to discuss the impact and risk of climate change as the regulator considers overhauling its rules for management disclosures. In an April 28 letter to Jay Clayton, the Securities and Exchange Commission chairman, Warren writes the agency is missing an important opportunity to arm investors with details about climate risks, information key to investment decisions.
- **Afghan Civilian Casualties Fell While U.S. Seeks Deal:** Civilian casualties in Afghanistan declined during the first quarter of the year even as attacks by the Taliban increased while the insurgent group negotiated a deal with the U.S. meant to help American forces leave the country. The U.S.-led coalition reported 1,268 civilian casualties through March 31, a 32% drop from the previous quarter and a 16% decrease compared to the same period last year, the U.S. Special Inspector General for Afghanistan Reconstruction, or Sigar, said in a report published late yesterday.