

TO: NAW Direct Members

FROM: NAW Government Relations Team

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## 1. Update on Congressional “Phase 3.5” Coronavirus Relief Funding

A few minutes ago, the Senate passed by unanimous consent the Paycheck Protection Program and Health Care Enhancement Act, also known as “Phase 3.5” to provide additional coronavirus relief funding.

The bill includes \$310 billion for the Paycheck Protection Program (PPP), which offers generally forgivable loans to small businesses struggling to make payroll. The first \$349 billion fund depleted last Thursday.

A separate provision worth \$60 billion (including \$50 billion in loans and \$10 billion in grants) would be allocated to emergency injury disaster loans (EIDL). Also included is \$75 billion for hospitals and \$25 billion for coronavirus testing. The total amount of the package is just north of \$480 billion.

The bill also requires a plan from States, localities, territories, and tribes on how resources will be used for testing and easing COVID-19 community mitigation policies. Additionally, it requires a strategic plan related to providing assistance to States for testing and increasing testing capacity.

- To read the text of the bill, go to:  
<https://www.naw.org/wp-content/uploads/2020/04/PPPHCE-Act.pdf>
- To read a summary of the hospital, testing section, go to:  
<https://www.naw.org/wp-content/uploads/2020/04/Summary-Hospital-Testing.pdf>
- To read a section-by-section analysis of the small business program, go to:  
<https://www.naw.org/wp-content/uploads/2020/04/PPP-Increase-Act.pdf>

The House Rules Committee is likely to meet later this evening, setting the stage for a vote in the House on Thursday. House Leaders plan to call their members back to Washington for a recorded vote due to likely objections to passing the measure by unanimous consent.

President Trump indicated today that he will sign the bill to provide additional funding for small business loans. In a tweet he said, “I urge the Senate and House to pass the Paycheck Protection Program and Health Care Enhancement Act with additional funding for PPP, Hospitals, and Testing. After I sign this Bill, we will begin discussions on the next Legislative Initiative with fiscal relief.”

There are ongoing discussions in the House to put procedures in place that would allow for proxy voting for future legislation during the ongoing COVID-19 crisis. Proxy voting would allow lawmakers who are absent to instruct a fellow Member who is on the Hill to cast ballots on the floor on their behalf. Such a plan would require the House to vote to change the rules, which could happen this week.

Meanwhile, House Minority Leader Kevin McCarthy is calling for a plan to safely re-open Congress amid the coronavirus pandemic. In a letter sent to Speaker Pelosi today, Leader McCarthy called for information on Democrats’ push for voting by proxy. “What are the details of this proposal, how will it avoid potential abuses of power, and when do you expect this proposal to be made public for the necessary scrutiny and member input that changing 200 years of House precedent would merit,” the letter says.

## **2. Update on the Main Street Lending Program (MSLP)**

The Federal Reserve has not yet released guidance on implementation of the Main Street Lending Program (MSLP), but we are hearing that the program may be launched this week. They reportedly received more than 2,000 comment letters on the program and are presumably making adjustments in the original release to accommodate some of the recommendations made by commenters.

As we have reported, NAW urged the Fed to modify its maximum loan calculation to make the accounting for committed but undrawn credit more consistent with actual business/bank practice, and to modify the language to ensure that pass-through companies that make capital distributions to shareholders for the purpose of tax payments are eligible for loans.

Of note: The Chairman of the Senate Banking Committee, Mike Crapo (R-ID), sent a comprehensive letter to the Fed and Treasury and included among his many recommendations both of these issues.

To read the Chairman’s letter, go to:

<https://www.banking.senate.gov/imo/media/doc/Letter%20to%20UST%20and%20FRB%20on%20Emergency%20Lending%204-16-20.pdf>

### **3. Opening the Doors: Return-to-Workplace Considerations During COVID-19**

With state and local governments gearing back up to re-open the economy, many employers are seeking answers to the challenging issues they will face as they resume their business operations amidst COVID-19.

Covington & Burling LLP has published a four-part series report, the final part of which will be published in the coming days, examining the most challenging issues faced by employers who are planning to re-open or continue productive operations. The report addresses key employer considerations, including:

1. Navigating the Legal Risk of Return
2. Considering Screening Measures for Employees Returning to Work
3. General Workplace Safety Precautions
4. Accommodating Special Circumstances

To read the report, go to:

<https://www.cov.com/-/media/files/corporate/publications/2020/04/opening-the-doors-return-to-work-considerations-during-covid-19-part-one-navigating-the-legal-risk-of-return.pdf>

### **4. Update on State and Local Government's Actions to Re-Open the Economy**

As we have previously reported, more state governors are beginning to explore the logistics of how to re-open their states economies. NAW has been monitoring the reports of states re-opening and are working to identify a central resource for NAW members to utilize in tracking the flow of information.

Once NAW identifies a resource that will provide sufficient resources and information we will highlight the location. Recently, three states governors have announced new plans to re-open their states. According to the firm Stateside Associates, the specifics of these re-opening orders are:

- “Alabama Governor Kay Ivey (R) has released the Reopen Alabama Responsibly Phase One Plan from the Small Business Emergency Task Force. It focuses on

close-contact services, childcare services, entertainment venues, medical and health services, beaches, pharmacies, real estate, manufacturing, and agriculture.”

- “Florida Governor Ron DeSantis (R) announced the creation of the Re-Open Florida Task Force. In addition, he announced the members of the Re-Open Task Force Industry Working Group on Tourism, Construction, Real Estate, Recreation, Retail and Transportation.”
- “Tennessee Governor Bill Lee (R) has announced the creation of the Economic Recovery Group, a joint effort between state departments, members of the legislature and leaders from the private sector to build guidance to safely reboot Tennessee’s economy.”

**Now Available for Purchase On Demand: “Distribution Industry: Navigating the Crisis” with Alan Beaulieu: <https://www.naw.org/navigating-the-crisis/>**

**[Click here](#) for links to Critical Updates sent previously.**

Many thanks—

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