

TO: NAW Direct Members

FROM: NAW Government Relations Team

RE: NAW Critical Update Number 56 – May 26 at 11:30 AM

1. Latest on the Main Street Lending Program

As of today – yet again – no MSLP launch date has been announced. We will continue to monitor the Federal Reserve for information and provide you with any relevant and timely updates.

2. Latest Congressional Action on the Paycheck Protection Program

Late last Friday night (circa 11:00 PM), Treasury/SBA released two more Interim Final Rules (IFR), one of them on PPP loan forgiveness. These are the agencies' 13th and 14th IFRs in 7 weeks, issued in addition to the many FAQ documents that "interpreted" the statute and the rules. They released this new IFR late at night on the Friday of a holiday weekend, "dispense[d] with" the 30-day delayed effective date required by statute and made the rule effective immediately and without public comment.

Unfortunately, they still declined to change the 75% payroll mandate, which they imposed despite it not being in the statute. With the release of this rule, the agencies have made it clear that they will not remove, or even modify, that mandate despite the urging that they do so from business and many members of Congress.

The *Wall Street Journal* Editorial Board published a lead editorial on May 19th, headlined "Treasury Secretary Warren," sharply critical of Secretary Mnuchin and his handling of the PPP, and a second editorial on Monday urging Congress to act to "fix Secretary Mnuchin's obstacles to keeping them alive." You can read those editorials [HERE](#) and [HERE](#). And *Politico* published a story on Saturday morning reporting that the SBA's new "forgiveness requirements align with previous SBA and Treasury guidelines and don't offer the kind of changes that a growing chorus of businesses are seeking to make it easier for them to avoid being saddled with the debt." You can read the *Politico* story [HERE](#).

As a result of the Treasury/SBA inaction, Congressional action will be necessary to make changes in the PPP. The House of Representatives could take a significant step in this direction tomorrow when they are expected to vote on the

Roy (R-TX)-Phillips (D-MN) bi-partisan Paycheck Protection Program Flexibility Act.

NAW sent out a grass roots e-alert to members yesterday urging everyone to contact their member of Congress urging them to vote for this bill. If you have not already contacted your Member of Congress, please do so immediately. You can access our E-Alert [HERE](#).

The IFR rules released late Friday night contain a lot of information – some of it very helpful – on the loan forgiveness process, payroll and non-payroll cost calculations, how to determine FTE's, etc. You can access the PPP loan forgiveness IFR here:

[Interim Final Rule on Loan Forgiveness \(5/22/2020\)](#).

The second IFR, on loan review procedures, can be accessed here:

[Interim Final Rule on SBA Loan Review Procedures and Related Borrower and Lender Responsibilities\(5/22/2020\)](#)

3. Resources for Employers

As the Coronavirus Pandemic continues to impact the United States economy and businesses across the nation, it can be hard to decipher how new regulations and laws may impact your business. To help you manage these issues NAW has provided information about webinars and seminars that you may find useful:

From ***Nixon Peabody Law Firm***: OSHA issues revised recordkeeping guidance for coronavirus (COVID-19). As businesses begin to re-open and COVID-19 continues to spread, OSHA issued a Revised Enforcement Guidance for Recording Cases of Coronavirus Disease 2019.

Click here to read the full article:

https://www.nixonpeabody.com/en/ideas/articles/2020/05/23/osha-issues-revised-recordkeeping-guidance-for-coronavirus-covid-19?utm_medium=alert&utm_source=interaction&utm_campaign=osha

4. Latest on Re-Opening the Economy

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.

Stateside Associates publishes a daily report about State and Local Government responses to the evolving situation. Some of the new developments in today's report include:

- **CONNECTICUT** Governor Ned Lamont (D) issued an order that makes modifications to permit the use of absentee ballots for the August 11 primary and that makes a clarification that orders by commissioners issued pursuant to the governor's executive orders are not regulations.
- **MARYLAND** Governor Larry Hogan (R) announced that Maryland's statewide contact tracing operation across all 24 of the state's jurisdictions will be fully operational next week.
- **NEW YORK** Governor Andrew Cuomo (D) has allowed out-of-state healthcare professionals to practice in the state for an additional 30-day period. This order has been extended by EO 202.32 until June 20.
- **FLORIDA:** The St. Petersburg Public Services and Infrastructure Committee will meet May 28 to hear updates on Pinellas County's Wage Theft Ordinance and discuss a draft ordinance repealing sections in Chapter 15 of the Municipal Code concerning wage theft.
- **LOUISIANA:** The Board of Pharmacy will hold a public hearing and accept comments until May 29 regarding proposed amendments which would update the prescription monitoring program rules.
- **MISSOURI:** The St. Louis County Council will meet May 26 to hear the introduction of an ordinance amending Title XI of the Code concerning regulations for food establishments and temporarily authorizing the Public Health Department to waive enforcement and application of provisions in the Food Code.
- **OREGON:** The Department of Human Services will hold a public hearing May 26 regarding adopted temporary amendments and later proposed permanent changes that impact self-sufficiency programs. The amendments update federal poverty guidelines and median income levels.

- **VERMONT:** The House Health Care Committee will hold a public hearing May 26 regarding SB 128, which expands the scope of practice for physician assistants as it relates to privileges and authority, procurement of drugs and medical devices, designation as primary care providers, legal liability and payment for medical services rendered.

We are also providing a link to a spreadsheet that includes state and local COVID-19 response information provided by **MultiState Associates**.

To view their spreadsheet, go to:

https://docs.google.com/spreadsheets/d/e/2PACX-1vRIJWZJ7OkGUW57_rdA2n3xBJ3qjW6u4Z9N6K9Y5L4bM_6H7-S308qdKmJfpVstYWf300nyujvZPFsy/pubhtml?urp=gmail_link

May 28 NAW Webinar on Economic Outlook:

We are partnering with NAW senior economic advisor Alan Beaulieu to produce a second critical economic forecast webinar. This webinar, “Distribution Post COVID-19 Outlook,” will run Thursday, May 28, from 3:00 to 4:30 PM EDT. Seats are limited, so if you are interested, please purchase your seat today at:

www.naw.org/distribution-post-covid-19

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

Many thanks—

Jade West, Chief Government Relations Officer

Blake Adami, Vice President-Government Relations

Seth Waugh, Associate Vice President-Government Relations

National Association of Wholesaler-Distributors

The above information and links to other information has been prepared by NAW for the general information of NAW members. It is not intended to, and does not, provide tax, legal or professional advice concerning any specific matter. You should not act on the information without first obtaining professional advice and counsel.