



FROM:	Bose Public Affairs Group
DATE:	June 12, 2020
RE:	Weekly COVID-19 Update

BIG PICTURE

The number of confirmed coronavirus infections continued to increase worldwide with more than 7.5 million confirmed cases. The United States now accounts for 2 million of these confirmed cases. More than a dozen states, however, have seen rising numbers of coronavirus infections and hospitalizations since Memorial Day weekend when a number of states began lifting restrictions. Texas, Florida, and California all reported record daily highs in new cases this week, and sharp spikes in cases in Oregon, Utah and Tennessee are prompting governors and mayors to pause reopening plans. The global death toll continues to grow at a consistent pace, with 422,000 deaths now recorded worldwide. The U.S. death toll increased by more than 5,000 this week to almost 114,000 total.

[Here is where all 50 states stand on reopening](#)

[CDC COVID-19 Forecasts](#)

[List of federal agency resources in response to COVID-19](#)

[Institutional and Agency Guidance Specific to Federal Award Impact on COVID-19](#)

[COVID-19 School Closure Map](#)

ADMINISTRATION

[CDC Highlights New Guidelines for Public Gatherings on First Media Call Since March](#)

On Friday, the Center for Disease Control (CDC) held its first media call since March on the COVID-19 pandemic. CDC Director Robert Redfield and Jay Butler, Deputy Director of Infectious Diseases, and coronavirus incident manager, joined the call and highlighted new



guidance published this week around large gatherings and steps Americans can take to return to normal daily activities.

The [guidance around large gatherings](#) suggests event planners should consider several strategies, from broadcasting regular announcements about steps attendees could take to reduce the virus' spread, to limiting attendance or seating capacity to allow for social distancing, to reconfiguring parking lots to limit congregation points. It also suggests limiting attendance to people who live in the area and working with local officials to identify how to separate people with COVID-like symptoms, or those who have tested positive for the virus but do not have symptoms. The [guidance for individuals around daily activities](#) urges people to continue taking precautions such as hand-washing, wearing face coverings, and keeping six feet from others. The guidance also makes several other specific suggestions like using only self-service machines at the bank and other establishments to conduct transactions, using the stairs in lieu of the elevator or only riding the elevator by yourself, and encouraging friends or family to bring their own food and drinks when hosting a gathering to limit the interaction with shared surfaces.

The agency also [published new recommendations](#) on travel to and from other countries and the status of departure and arrival ability.

CONGRESS

Phase 4 Package

Congress remains at odds over how and when to move forward on additional legislation to provide economic and public health relief to American citizens and industry as a result of the Coronavirus pandemic. Senate Minority Leader Chuck Schumer (D-NY) this week called on his Republican counterparts to begin negotiations on a fourth package as soon as possible in order to reach a bipartisan agreement on a bill that can pass both chambers prior to the July 4th recess.. Schumer stated, "There is no reason that we cannot respond to this moment of national crisis with vigorous and sustained action, with purposeful action and bipartisan effort on the COVID pandemic and long-simmering issues of police violence and racial justice. We must do both." Senate Republicans, however, continue to express their view that more time is needed to assess the impact of \$2 trillion of relief provided by the CARES Act – the phase 3 package.

Senate HELP Committee Examines Reopening of Elementary and Secondary Schools

On Wednesday, the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing titled, "COVID-19: Going Back to School Safely." Chairman Lamar Alexander (R-TN) opened the hearing by raising his concerns about public health and contact tracing through the lens that schools and the economy do need to take steps to reopen. Ranking Member



Murray (D-WA), after expressing sympathy with black families and other communities of color who are protesting ongoing abuses by law enforcement and systemic racism nationwide, offered extended remarks on how the pandemic has disproportionately affected those communities across the country. Former Education Secretary John King offered testimony explaining that his organization, Education Trust, is urging Congress to provide more funding and guidance to State and local governments, including at least \$175 billion dollars specifically for K12 education. A maintenance of equity provision should also be included as part of any additional stimulus relief, he said. Dr. Penny Schwinn, Tennessee's Commissioner of Education, agreed with many of the sentiments expressed by her colleagues on the panel stating that the major challenges facing states include general school reopening strategies, issues related to the digital divide, and providing high quality educational opportunities for all children. The discussion between senators and witnesses suggested the importance of addressing inequitable resources especially related to online learning, the impact of systemic racism on students of color, the cost of reopening schools, and the need to provide services for homeless students and students with disabilities. The Bose team has prepared a full summary memo of the hearing available [here](#).

Small Business Committee Hears Testimony from Mnuchin and Corranza

On Wednesday, the Senate Small Business Committee hosted a hearing to examine the implementation of Title I of the CARES Act, which is the small business relief section that includes the Paycheck Protection Program (PPP). The hearing included testimony from Treasury Secretary Steven Mnuchin and Small Business Administration Administrator Jovita Carranza. Mnuchin and Carranza each outlined plans to loosen rules for PPP and revealed new data on the impact the program has had so far.

The new programmatic changes include relaxed restrictions on small business owners with felony convictions in the last five years from accessing loans and how the recently passed legislation and Congress will make it easier for loans to be converted into grants for program participants. Carranza said in her review of the program that 45 percent of PPP loans in terms of volume and total value "were disbursed in low-income areas" and that borrowers have returned about \$12 billion to the program, after the administration pressured well-financed firms to give up the funds. The full hearing is available [here](#).

Senate Health Committee Chair Releases Report on Preparation for Future Public Health Crises

On Tuesday, Senator Lamar Alexander (R-TN) published "[Preparing for the Next Pandemic](#)" — a white paper with five recommendations to address future pandemics based on lessons learned from COVID-19 and the past 20 years of pandemic planning. The five recommendations include:

1. accelerated research and development on testing, treatments, and vaccines;



2. better data and surveillance to expand ability to detect, identify, and model infectious diseases;
3. rebuild and invest in medical supply stockpile;
4. improve state and local capacity to better respond to infectious diseases; and
5. improved coordination between federal agencies during a public health emergency.

In a statement that accompanied the report's release, Alexander said he is "inviting comments, responses, and any additional recommendations for the Senate Committee on Health, Education, Labor and Pensions to consider. This feedback will be shared with my colleagues, both Democrat and Republican."

BUSINESS AND INDUSTRY

While not at the pace as the last two months, unemployment continues to grow with the Department of Labor announcing 1.5 million people applying for unemployment claims this week.

This news comes as [the Federal Reserve on Wednesday](#) projected that the U.S. economy will contract by 6.5 percent this year, and the unemployment rate by the end of the year is expected to be around 9.3%. Also notable this week was testimony from the head of the nonpartisan Congressional Budget Office, Phillip Swagel, who warned lawmakers on Tuesday that the recovery from the coronavirus-induced recession is going to be more challenging to recover from than the 2008 financial crisis.

On Wall Street, the stock market reflected the roller coaster of various interpretations put forth by economists, analysts, and politicians related to the government's latest unemployment and jobs figures. Overall, the Dow Jones and S&P 500 dropped nearly 5% over the week. The NASDAQ finished the week down 2%.

Federal Reserve Expands Main Street Lending Program

On Monday, the Federal Reserve [announced](#) its expanding of the Main Street Lending Program to allow more small and medium-sized businesses to be able to access capital. The Board lowered the minimum loan amount, raised the maximum loan limit, adjusted the principal repayment schedule to begin after two years, and extended the term to five years, providing borrowers with greater flexibility in repaying the loans. The Board expects the Main Street program to be open for lender registration "soon" and to be actively buying loans "shortly afterwards." More analysis from the Bose team is available [here](#).

HEALTH CARE

HHS to Prioritize Relief for Providers that Primarily Treat Medicaid Patients



On Monday, the Department of Health and Human Services (HHS) announced plans to distribute \$25 billion to safety net hospitals and other health providers that primarily treat Medicaid patients as part of its next round of the \$175 billion of CARES Act relief dedicated to hospitals and other providers impacted by the pandemic. The department is expected to allocate \$15 billion to Medicaid and Children's Health Insurance Program (CHIP) providers that have yet to receive any federal aid during the pandemic and \$10 billion to safety net hospitals, with plans to reserve remaining funds to support providers in COVID-19 hotspots. More [here](#).

Feds and Drug Manufactures Ramp Up Efforts on Treatment and Vaccine Development

On Tuesday, AstraZeneca [announced](#) it has obtained \$23.7 million in funding from the Defense Advanced Research Projects Agency (DARPA) and the Biomedical Advanced Research and Development Authority (BARDA) for a joint initiative to support the development of a monoclonal antibody treatment against COVID-19. The drugmaker, which also announced the licensing of six protein candidates, plans to move its two coronavirus antibody therapies into clinical studies over the next two months.

Meanwhile, John Mascola, Director of the vaccine research center at the National Institute of Allergy and Infectious Diseases, [announced](#) that Phase 3 trials for three experimental COVID-19 vaccines will begin ramping up this summer with funding from the federal government. Phase 3 is the final stage of testing, in which the government will determine a verdict on a vaccine's safety and efficacy. The phase 3 trial is expected to begin in July with Moderna's vaccine, followed by the Oxford University-AstraZeneca PLC collaboration in August, and Johnson & Johnson's applicant in September.

CONCLUSION

The Bose Public Affairs Group team will continue to monitor all relevant developments over the coming week and will be providing ongoing updates as they develop.

