

COVID-19 Policy Update

March 19, 2020

Congress turns to Phase 3: Emergency Economic Relief

This afternoon, Senate Majority Leader McConnell (R-KY) released his [proposal](#) for Phase 3, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, which consists of four key pillars: support for small businesses, direct cash assistance for American adults and families, lending to businesses to stay in business and maintain employment, and protecting the public health.

The proposal includes relief for individual taxpayers through recovery checks of up to \$1,200 and an extension in the April 15 filing date to July 15. The CARES Act also includes several measures of relief for businesses, providing for a delay in estimated tax payments for corporations and allowing employers to defer payment of the employer share of the Social Security tax they otherwise are responsible for paying to the federal government with respect to their employees.

The proposal's \$300 billion [small business emergency economic relief plan](#) was led by Sens. Rubio (R-FL) and Collins (R-ME), who will serve as lead Republican Phase 3 negotiators on these issues. Senate Finance Committee Chairman Grassley (R-IA) spearheaded the measure's [provisions on taxpayer relief](#), and he and Sen. Portman (R-OH) will take the lead in negotiating the bill's [finance provisions](#). The third pillar, led by Senate Appropriations Committee Chairman Shelby (R-AL), Senate Commerce Committee Chairman Wicker (R-MS) and Sen. Thune (R-SD), involves targeted lending to industries of national importance, such as airlines and other distressed sectors. In addition, the Senate Committee on Health, Education, Labor, and Pensions (HELP) Chairman Alexander (R-TN) will serve as the lead negotiator on the public health component to remove barriers to care, speed innovation, fund hospitals and health centers and expand health care workers' access to personal protective equipment (PPE).

These Members are expected to immediately engage with congressional Democrats tomorrow in order to find a path forward on Phase 3.

As federal, state and local governments continue to escalate their responses to the pandemic, the latest actions and developments may be found below, and Akin Gump will continue to provide regular policy developments related to COVID-19.

Stimulus Update: President Signs Phase 2, Leader McConnell Releases Phase 3 Relief Package, Additional Phases Likely

- Phase 2: Signed by President Trump Wednesday evening. Akin Gump's summary of the bill and outlook for Phase 3 can be found [here](#) ([Bill Text](#), [Bill Text Explainer](#)).
- Phase 3: Leader McConnell (R-KY) today released his proposal for Phase 3 of the COVID-19 response ([Bill Text](#)). Republican negotiators are expected to immediately engage with Senate Democrats tomorrow in order to find a path forward on Phase 3.
- In light of the guidance issued by the Centers for Disease Control and Prevention (CDC), the House will be adjusting its schedule moving forward and is also expected to adjust its voting procedures to adhere to these recommendations.

Administration Updates

Coronavirus Task Force Briefing Highlights

On Thursday morning, March 19, the White House Coronavirus Task force conducted a briefing from the White House Press Briefing Room. Highlights of the discussion include:

- The Food and Drug Administration (FDA) is working to provide regulatory flexibility and guidance to support the development of COVID-19 therapeutics and vaccines.
- FDA is exploring the use of chloroquine, an anti-malaria drug, as a potential treatment for COVID-19. Other potential therapies include Gilead's remdesivir and convalescent plasma therapies.

- These therapies will be available for compassionate use, which will also allow FDA to collect more data about their efficacy.
- Americans should not be alarmed to see a “dramatic” increase in positive cases of COVID-19 as testing ramps up across the country.
- Meanwhile, the administration is working to secure supplies of respirators, ventilators and other equipment for health care workers.
- 3M and Honeywell are expanding production and selling industrial N95 masks directly to hospitals.
- According to Vice President Pence, the administration has identified “tens of thousands” of ventilators that can be converted to care for patients.
- President Trump stated that the administration is working to provide additional economic relief to small businesses and the hardest hit industries, such as airlines, cruise lines and hotels.
- The President said he would support a provision in stimulus legislation that bars federal aid from being used for stock buybacks or executive bonuses.
- President Trump is meeting with the State Department to discuss further travel advisories.

Relevant Links

- [Phase 2: H.R. 6201, the Families First Act, as signed into law by President Trump](#)
- [Phase 3: Senate GOP Proposal](#)
- [Phase 3: High-Level List of Senate GOP COVID-19 Relief](#)
- [Phase 3: Finance Republican Health Section-by-Section](#)
- [Phase 3: One pager of the Rubio/Collins RESCUE Business Act](#)
- [Phase 3: Blue Dog Recommendations for Coronavirus Economic Support and Stimulus Package](#)
- [Phase 3: Problem Solvers Caucus Health Crisis and Economic Revival Package](#)
- [Phase 3: Leader Schumer Memo to Senate Democrats providing more details around his policy goals for the third COVID-19 response package](#)
- [Phase 3: Senate Democrats public health and economic emergency proposal presentation](#)
- [Phase 3: Department of Treasury Recommendations](#)
- [Phase 3: Speaker Pelosi’s Dear Colleague Letter on Preparation for Next Coronavirus Response Bill](#)
- [Phase 3: Senate Minority Leader Schumer calls for a “Marshall Plan for our hospitals,” employment insurance and free medical treatment for anyone who contracts coronavirus](#)
- [Rep. Diaz-Balart Tests Positive for Coronavirus](#)
- [Rep. McAdams statement on COVID-19 illness](#)
- [DOD Poised to Provide Masks, Ventilators, Labs for Coronavirus Fight](#)
- [Treasury and IRS Issue Guidance on Deferring Tax Payments Due to COVID-19 Outbreak](#)
- [FDIC Chairman Urges FASB to Delay Certain Accounting Rules Amid Pandemic](#)
- [Federal Bank Regulatory Agencies Issue Interim Final Rule for Money Market Liquidity Facility](#)
- [EU’s Brexit negotiator Michel Barnier announces he has tested positive for the coronavirus](#)
- [Updated Medicaid & CHIP COVID-19 FAQs](#)
- [Medicare Fee-for-Service \(FFS\) Response to the Public Health Emergency on COVID-19](#)

Akin Gump Alerts and Other Resources Related Content

[Overview of Federal Coronavirus \(COVID-19\) Stimulus Measures](#)

[President Trump and Congress Move to Make Small Business Loans Available in Wake of COVID-19](#)

[United States Suspends Visa Services Abroad, Cancels ESTA Entry Authorizations for European Visitors and Closes USCIS Field Offices, in Response to the Novel Coronavirus \(COVID-19\) Pandemic](#)

[Coronavirus and the Workplace by Richard J. Rabin, Grace Margaret O’Donnell.](#)

[SEC Permits Late Filing of Form ADV due to COVID-19](#)

[The March to Cancel: Contract and Insurance Implications of Coronavirus-Related Event Cancellations](#)

[COVID-19 Impact on Annual Shareholder Meetings](#)

[COVID-19’s impact on global corporate transactions](#)

Tweets

U.S. Department of Health and Human Services (HHS):

- **Tweet at 10:15 AM, March 19, 2020 ([Link](#))**
 - “CMS announced recommendations on delaying elective surgeries, non-essential medical, surgical, and dental procedures during the 2019 Novel Coronavirus (COVID19) outbreak. Read more [here](#).”

Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma:

- **Tweet thread at 9:41 PM, March 18, 2020 ([Link](#))**
 - “CMS is taking action to help remove financial barriers for COVID19 testing & treatment by announcing that enforcement action will not be taken against issuers of catastrophic health plans that cover testing & treatment, at no cost before enrollees meet their deductible.”
 - “Catastrophic health plans are plans w/ more affordable premiums that are available to people < 30 ys old or for people who have a hardship/affordability exemption, but these plans generally may not provide & pay for benefits before an enrollee meets the plan’s deductible. ([Press Release](#))”

The Federal Reserve:

- **Tweet at 11:30 PM, March 18, 2020 ([Link](#))**
 - “Federal Reserve broadens program of support for the flow of credit to households and businesses by establishing a Money Market Mutual Fund Liquidity Facility (MMLF): ([Press Release](#))”
- **Tweet at 8:34 AM, March 19, 2020 ([Link](#))**
 - “Federal Reserve, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency announce interim final rule ensuring financial institutions can effectively use the recently announced Money Market Mutual Fund Liquidity Facility: ([Press Release](#))”
- **Tweet at 9:02 AM, March 19, 2020 ([Link](#))**
 - “Federal Reserve, other central banks announce establishment of temporary U.S. dollar liquidity arrangements: ([Press Release](#))”

The Federal Deposit Insurance Corporation (FDIC):

- **Tweet at 1:00 PM, March 19, 2020 ([Link](#))**
 - “FDIC Chairman Jelena McWilliams encouraged the Financial Accounting Standards Board to take much needed actions that will allow banks to help their communities through the coronavirus pandemic. Read the letter [here](#).”

U.S. Food and Drug Administration (FDA) Commissioner Dr. Stephen Hahn:

- **Tweet thread at 7:05 PM, March 18, 2020 ([Link](#))**
 - “For the well-being of our staff & those who conduct inspections for the agency under state contract, & because of industry concerns about visitors, we have temporarily postponed all domestic surveillance facility inspections during the COVID19 pandemic. ([Press Release](#))”
 - “Importantly, all domestic for-cause inspection assignments will be evaluated & will proceed if mission critical. We will continue to respond to natural disasters, outbreaks, & other public health emergencies involving FDA-regulated products.”

Senate Majority Leader Mitch McConnell (R-KY):

- **Tweet at 1:00 PM, March 19, 2020 ([Link](#))**
 - “This crisis is moving fast. Our health system is under strain and our economy is hurting. It is critical that we act swiftly and boldly to stabilize our economy, preserve Americans’ jobs, get money to workers and families, & keep up our fight on the health front.”
- **Tweet at 3:34 PM, March 19, 2020 ([Link](#))**
 - “We know our economy won’t bounce back to normal tomorrow. An underlying medical reality is driving this disruption. This about immediately helping workers, families, small

businesses, and positioning us to thrive on the other side. America is strong and we will beat this virus.”

- **Tweet at 4:37 PM, March 19, 2020 ([Link](#))**

- “We are crafting a major plan to help small business survive this crisis and help workers continue to get paid. A rapid injection of cash to help small businesses through this turmoil. Let’s help small businesses and workers endure this and emerge from it ready to thrive.”

Senate Minority Leader Chuck Schumer (D-NY):

- **Tweet at 11:55 AM, March 19, 2020 ([Link](#))**

- “We don’t want bailouts unless they’re used for workers, unless the industries keep all their employees, unless they don’t cut salaries of their employees, and unless they are not allowed to buy back their own stocks or raise corporate salaries.”

- **Tweet at 12:46 PM, March 19, 2020 ([Link](#))**

- “Big for America’s students right now. Senator Patty Murray, Senator Sherrod Brown, Senator Elizabeth Warren, and I are announcing our bold new plan to cancel student debt for the duration of the coronavirus emergency and provide a minimum \$10k payoff for federal student loan borrowers.”

- **Tweet at 3:32 PM, March 19, 2020 ([Link](#))**

- “We need to help the millions of workers who are adversely affected by this severe crisis: Service industry workers, gig workers, freelancers, bartenders, retail workers, airline attendants, and so many others. Congress must help these Americans NOW.”

Former U.S. Food and Drug Administration (FDA) Commissioner Dr. Scott Gottlieb:

- **Tweet thread at 10:58 AM, March 19, 2020 ([Link](#))**

- My paper today with Mark McClellan. We can sharply reduce the #COVID19 threat with technology and have the chance to develop and deploy these tools right away. We need to take some new policy steps to achieve these goals. We outline those steps [here](#).”
- “1. We need to launch two task forces dedicated to development of therapeutics and vaccines inside FDA. We can implement a master protocol that allows broad access to promising therapies for patients in need while continuing to collect rigorous data on safety and effectiveness.”
- “We need dedicated focus on developing drugs, antibody prophylaxis and vaccines. A large treatment protocol, where patients are randomized to receive therapies that meet initial threshold for safety, effectiveness, can allow broad access while continuing to evaluate drugs.”
- “2. We need to develop a point of care diagnostic like the Cepheid GenXpert or a swab that produces a readable result in doctors office to screen much more broadly and detect cases early, contain spread. Case-based strategies can work when properly resourced, done at massive scale”
- “3. We’ll have broad screening capability after initial epidemic passes. We must repurpose these tools into a massive sentinel surveillance system nationwide, that will hunt for cases of coronavirus among those presenting with flu symptoms, so we can detect outbreaks immediately.”
- “For therapeutics, we should invest in securing manufacturing now for promising drugs, so if one works, we can produce it at massive scale immediately. We should not do these things in a linear way. We must do it all at once. Ramp up manufacturing now for the experimental drugs.”
- “We must continue the mitigation steps to reduce death and disease until we have broader access to a truly effective drug. The number of cases will start to rise a lot now. We must keep the cases low enough so our front line providers can do what they do so well: preserve life.”
- “These steps are, in part, how we win. We use technology to vanquish this threat or make it a pathogen we can live with. We must also support each other through this difficult moment. It will pass. We will solve this with our compassion, perseverance, and our great technology.”