



Pelosi Optimistic on Deal; Trump Wants Businesses Open by Easter

By Brandon Lee | March 24, 2020 04:13PM ET | Bloomberg Government

Congressional leaders are optimistic about a stimulus agreement that would inject nearly \$2 trillion into the nation's economy, amid a desperate effort by lawmakers to pull the U.S. out of a pandemic-triggered recession and avert a more severe economic downturn that President Donald Trump said could be worse than the coronavirus outbreak itself.

Here's what Bloomberg Government is tracking so far today.

Pelosi Hopeful on Deal After Trump Agrees to Oversight

House Speaker Nancy Pelosi (D-Calif.) said she's optimistic Congress will soon reach a deal on a massive stimulus measure to fight economic fallout from the coronavirus pandemic, after the White House agreed to independent oversight of a fund to support companies.

"Everybody knows the overarching view is we have to get this done," Pelosi said in a CNBC interview today. She said that it appears the Senate had agreed to accept a provision in a House version of the bill that would create both an independent inspector general and a congressionally appointed five-person panel to oversee money the bill provides to companies. Two people familiar with the matter said the Trump's administration had agreed to oversight of the company fund.

The size of the U.S. stimulus package is unprecedented: \$1.8 trillion, dwarfing the approximately \$800 billion Obama stimulus, which wasn't passed until five months after the 2008 financial crash. House Democrats want to go bigger, with a \$2.5 trillion plan that would amount to over one-tenth of America's GDP.

Treasury Secretary Steven Mnuchin and Senate Minority Leader Chuck Schumer (D-N.Y.) were expected to meet this morning to continue negotiations, according to two people familiar with the matter. Democrats like Schumer had criticized Republicans' original stimulus proposal for corporate assistance as a "slush fund" for companies that would be controlled by the White House.

Pelosi says she hopes to have an agreement within hours that can pass the House by unanimous consent, without the need to bring lawmakers back to Washington to vote.

The Senate version would make direct government payments of \$1,200 to most middle-class individuals and \$500 per child. After negotiations with Democrats, the most recent version boosts unemployment aid and extends its availability, though Democrats continue to push for more generous funding.

- Also in the draft measure, Mnuchin would be allowed to spend \$100 million on investment banks for their services in administering emergency lending programs. That would provide Mnuchin with money to pay for services tied to \$500 billion in lending programs for small businesses, municipalities and states. Recipients may include brokers and banks acting as financial agents for the federal government, according to a draft copy of the bill.
- Meanwhile, a battle over relief for student borrowers is emerging as a major policy dispute between Democrats and Republicans as senators struggle to reach a bipartisan deal. Democrats, led by Sen. Elizabeth Warren (Mass.), urged a minimum of \$10,000 in debt to be wiped for each student borrower. Republicans are on board with the idea that borrowers shouldn't have to make payments during the crisis, but have drawn the line against a government takeover of loan payments.
- Conservation groups and wildlife advocates are calling on lawmakers to earmark funding for wildlife conservation and habitat protection in a Covid-19 stimulus package. More than 100 groups sent a letter today noting the connections between infectious diseases and wildlife policies. The groups are asking Congress to direct 1% of stimulus funds to jobs addressing habitat loss, wildlife trade, and biodiversity.
- Also involved in stimulus talks are celebrity chefs like Netflix's Ugly Delicious host David Chang and Bravo's Top Chef head judge Tom Colicchio, who are using their platforms to draw support for the \$900 billion restaurant industry, which is facing widespread unemployment among its more than 15 million employees amid the pandemic. The industry is pressing Congress to include measures in the anticipated stimulus bill to help save jobs and keep millions of restaurants from shuttering permanently.

Hoyer Eyes Two More Bills: House Majority Leader Steny Hoyer (D-Md.) told Democrats that there could be two more rounds of fiscal stimulus in the future, according to two people on the party's conference call. Pelosi, who was also on the call, said one of the unresolved issues in the Senate's stimulus bill is a 15% increase in funds for food stamps, the people said.

- Meanwhile, House GOP vote-counters led by Whip Steve Scalise (R-La.) will have a conference call with members today in case the Senate passes a stimulus bill, according to an official familiar with the GOP plans. “Remote whipping” of Republicans will be geared at securing unanimous support for the Senate bill, but that outcome isn’t certain, the official said.

Other Economic Plans & Industry Pains

Trump Wants Economy Reopened in Weeks: Trump said today that he wants to wind down “social distancing” and reopen the U.S. economy by Easter, which is April 12, after much of the U.S.’s economic activity has slowed down because of the outbreak. “I would love to have it open by Easter,” he said in a Fox News “virtual town hall” on the virus today. “I would love to have it opened up and just raring to go by Easter.”

Trump has said he will re-evaluate whether to call for people to return to work after his 15-day strategy to limit social contact lapses next week. Trump today repeatedly talked about the harm a long-term economic shutdown would have on the nation, warning of thousands of suicides if there’s a prolonged downturn. “This cure is worse than the problem,” Trump said. “In my opinion, more people are going to die if we allow this to continue.”

Trump also claimed that the mortality rate of the coronavirus in the U.S. is lower than 1%. The U.S. death rate is presently unknown. Meanwhile, Pelosi warned not to attempt to reopen businesses and end social distancing before scientists recommend it. “This is a time for scientific, evidence-based decision making,” she said in an MSNBC interview, adding that the cost to the economy of more deaths would be greater than financial consequences of social isolation.

Meanwhile, Dr. Anthony Fauci, the infectious disease expert who’s the most credible spokesperson on the coronavirus outbreak, has been absent from White House events for three days after contradicting Trump. Fauci, head of the National Institute of Allergy and Infectious Diseases, attended a news conference on Friday, where TV cameras caught him putting his face in his hands after Trump disparaged the State Department as the “deep State Department.” He then gave an interview to Science magazine on Sunday in which he agreed Trump makes false statements about the outbreak.

- Trump also talked to several billionaire hedge fund and private equity managers this morning about reopening the U.S. economy, sources familiar with the matter said. He discussed the path forward by phone with money managers such as Citadel’s Kenneth Griffin, Tudor Investment’s Paul Tudor Jones, and Blackstone’s Stephen Schwarzman, one of the people said.

- Earlier, Trump's top economic adviser Larry Kudlow assured that Trump will listen to medical experts' advice on the timing of reopening markets. "We're not abandoning the health professionals' advice, but there is a clamor to try to re-open the economy, perhaps make it less of a shut-in," he said.

Americans' Views of Economy Plunge: U.S. consumers' ratings of the economy dropped by a record over the past week as the coronavirus has halted business, pulling down a wider confidence gauge by the most since 2007. The Bloomberg Consumer Comfort Index report tumbled 3.3 points to a four-month low of 59.7, according to the survey based on responses collected through Sunday. Views of the buying climate fell to a 10-month low while those for personal finances also deteriorated amid the rout in stocks.

Boeing Resists Aid if U.S. Seeks Equity Stake: Boeing doesn't want the federal government to take a stake as the plane-maker seeks assistance to grapple with effects from the coronavirus, according to Chief Executive Officer Dave Calhoun. "I don't have a need for an equity stake," Calhoun said in an interview with Fox Business. "I want them to support the credit markets, provide liquidity. Allow us to borrow against our future." He indicated that Boeing wouldn't accept relief in exchange for the government owning a share. "If you attach too many things to it, of course, you take a different course," he said.

Airline Passenger Counts Sink by 86%: The number of people flying in the U.S. has dropped steeply, leaving nearly empty planes as the number of passengers going through security screening yesterday fell 86% compared to 2019. Growing fears of the spread of Covid-19 led to the dramatic drop that the Transportation Security Administration reported today, threatening the financial foundation of the airline industry along with its subcontractors and airports. There were only 331,000 people flying yesterday, compared to over 2.4 million on the equivalent day last year, according to TSA data.

What States Deem 'Essential Industries': Three industry groups for chemical makers are lobbying states to broadly define "essential industries" that have to remain open during the pandemic. The Society of Chemical Manufacturers and Affiliates, the Household & Commercial Products Association and the American Chemistry Council want all states to follow the Homeland Security Department's guidance. DHS says all chemical producers, and the supply chain that supports them, are essential businesses.

Vaccine Research & Treatment Efforts

Trump Defends Test Record: Trump defended the slow pace of coronavirus testing in the U.S., saying in a Fox News “virtual town hall” on Tuesday that the government “did not screw up” and is now a “model.” “We did not screw up and I don’t think CDC screwed up either,” Trump said, again blaming difficulties in fielding a U.S. coronavirus test on a “system” established by his predecessors. While the administration repeatedly said that tests were widely available as more versions became available from private providers, patients, doctors and hospitals reported widespread lack of access.

Guidelines for Infected Health Workers: Health care workers that test positive for Covid-19 must receive two subsequent negative tests before they can return to work, the CDC is advising. Workers who exhibit symptoms of the disease and don’t get tested can return to work if their symptoms improve and they remain fever-free for three days, according to the CDC guidelines. If health care workers present symptoms and are unable to get tested, the CDC says they can’t return to work until they are fever-free without fever-reducing medications for at least three days, their other symptoms improve, and it’s been at least one week since the symptoms first appeared.

Gilead Drug Gets Tax Break: Gilead Sciences’ experimental treatment drug for Covid-19 secured a coveted regulatory designation that usually comes with tax breaks and a seven-year market monopoly. The Food and Drug Administration announced late yesterday that remdesivir would get the agency’s orphan drug designation, a program usually reserved for rare illnesses affecting less than a quarter million people in the U.S. But consumer advocacy group Public Citizen railed against the designation, saying it’s given Gilead an “entirely undeserved” monopoly.

Meanwhile, Gilead’s decision to give remdesivir to patients in groups should speed access to the drug, despite initial confusion caused by the company’s shift away from processing requests individually. Gilead has begun shifting how it’s handling requests for “expanded access,” a legal route for patients with a life-threatening condition to access experimental drugs outside of a clinical trial. Gilead will now manage compassionate use requests in groups rather than on an a case-by-case basis.

Blood From Recovered Patients: The FDA is making it easier for critically ill patients to access a potential treatment: antibodies from the blood of those who survived. The FDA will allow doctors treating the sickest Covid-19 patients to use an experimental therapy called “convalescent plasma.” The effort is part of the FDA’s unprecedented loosening of rules for medication, diagnostic tests and more in an effort curtail the outbreak.

Preparations for Vaccine Production: Biotech companies should prepare now to ramp up production for Covid-19 vaccines and treatments to prevent delays in

manufacturing that could hinder patient access, a senior Health and Human Services official said today. Federal authorities are hoping to ensure “that when we have a vaccine or drug available, there are multiple facilities able to scale up and manufacture and produce and fill and finish and deliver those vaccines and drugs and reagents as quickly as possible,” Biomedical Advances Research and Development Authority Director Rick Bright said today during a virtual summit.

Apps Checking for Symptoms: Insurers and health tech companies developing mobile apps to let patients track Covid-19 symptoms and connect with doctors need to be mindful that their data storage practices do not run afoul of federal and state privacy laws, attorneys said. The coronavirus crisis is still evolving and the federal government is trying to keep up by waiving certain privacy rules, in particular under the Health Insurance Portability and Accountability Act (HIPPA). But developers of mobile apps and websites aimed at fighting the virus still have to navigate states’ laws and U.S. Federal Trade Commission regulations.

Unproven Cure Company Boosts Work: The largest maker of an anti-malarial drug that Trump has touted as a “game changer” in the treatment of the deadly coronavirus plans to hike capacity over 10-fold to meet surging global demand. Cadila Healthcare will boost its production of hydroxychloroquine sulphate to as much as 35 tons, or about 200 million individual doses per month, from about 3 tons per month currently, according to Sharvil Patel, its managing director. “We are scaling up,” Patel said in an interview.

New York Suffers Most in U.S.

U.S. May Become Epicenter: The U.S. is showing a rapidly accelerating rate in coronavirus infections and has the potential to become a new epicenter of the outbreak, according to Margaret Harris, a spokeswoman for the World Health Organization. Over 24 hours through 10 a.m. Geneva time yesterday, 40% of all new infections were from the U.S.. Covid-19 has killed more people than Ebola did in the first two years of that outbreak, she added.

New York Cases Increasing Fast: New York Gov. Andrew Cuomo (D) said that the rate of coronavirus infections is doubling about every three days despite all the steps taken to slow the spread. New York has conducted over 91,000 tests and has 25,665 positive results, the highest and fastest rate of infection, Cuomo said at a press briefing today. Yesterday, its total was 20,875. New York has 10 times more cases than California, which has about 2,800 cases, Cuomo said. An apex of the New York infections will hit in as soon as 14 days, higher and sooner than expected, Cuomo said.

“In many ways, we have exhausted every option available to us,” he said. Cuomo has ordered all of New York’s nonessential workforce to stay home, banned all

non-essential gatherings and closed personal-care salons, gyms, casinos, malls and restaurants. The state now expects it will need as many as 140,000 hospital beds, up from a prior projection of 110,000. The state has 53,000 hospital beds and 3,000 ICU beds. It will need as many as 40,000 ICU beds, he said.

The disease is making people desperate for medical supplies, and vendors are taking advantage. Face masks for front-line workers, normally about 58 cents each, have been quoted by sellers at \$7.50, according to Cuomo, who called the price hikes “a tremendous problem.” Thermometers are going for twice their usual price, latex gloves triple. Portable X-ray machines that help diagnose the virus cost as much as 20 times what they had been selling for before the emergency.

- Also today, Cuomo lashed out at the White House for relying on companies to voluntarily make life-saving ventilators. “You can’t do this on a voluntary basis,” Cuomo said today during a news conference in at the Jacob K. Javits Convention Center in Manhattan, which is being converted into a hospital. He warned that many victims of the coronavirus illness will die needlessly without ventilation.
- HHS earlier this week floated a contract seeking companies that can produce 100,000 or more ventilators to help combat Covid-19, according to a request for information. Interested contractors should provide information for multiple scenarios of price and quantity, for as few as 5,000 ventilators to a maximum of 100,000.

Birx Says Subways May Have Sped Virus: Riders touching metal surfaces on New York City subways may have accelerated the spread of the coronavirus in the Tri-State area, according to Deborah Birx, the State Department physician who advises Vice President Mike Pence on the federal government’s response. Around 28% of people tested for the virus have been positive in the city and in areas of New Jersey nearby, Birx said at a news conference. A high number of travelers returning from Asia might have also contributed to the high rate of transmission, she said.

Prevention Measures & Wider Effects

Students’ Home Internet Issues: School leaders across the country are calling on the Federal Communications Commission to direct money from a program for internet access on campuses to millions of pupils who now find themselves learning at home. The FCC should allow funds from the federal E-rate program to support online learning for those students, over 7,500 educators and parents wrote in a letter today to commission Chairman Ajit Pai. The \$4 billion annual E-rate program could help students continue coursework online, educators said.

Agencies Still Hand-Delivering Documents: Agencies issuing emergency and other regulations amid the viral outbreak are facing an unexpected conundrum: hand-deliver paper copies of rules to the Capitol, or adhere to social distancing. The 1996 Congressional Review Act requires agencies to “submit” all final rules to the House, Senate and Government Accountability Office before they’re able to take effect. House and Senate parliamentarians are continuing to require the submissions to be made by hand or regular mail, said an administration official.

D.C. Closes Non-Essential Businesses: The District of Columbia will order “non-essential” businesses to be closed, Mayor Muriel Bowser (D) said during a press conference today. Bowser, citing guidance to be issued later today, did not say when the order would take effect, but such an order will be similar to business closures elsewhere in the Washington area, Bowser said. Bowser said businesses like salons, barber shops, tattoo parlors, tanning salons and services not related to emergency responses will be shut down.

Meanwhile, residents of Houston and its immediate suburbs were ordered to stay indoors and avoid any unnecessary travel as the fourth-largest U.S. city grapples with the contagion. The declaration from Harris County Judge Lina Hidalgo comes a week after bars were shut down and restaurants had to shutter dining rooms, measures that had failed to halt the virus’ spread in southern Texas. Houston had been the biggest municipality that wasn’t already in lock-down status in America.

Burr Sued by Investor: Sen. Richard Burr (R-N.C.) was sued today by a Wyndham Hotels & Resorts investor who claims that the lawmaker engaged in stock fraud when he sold his shares following a nonpublic government briefing on how the coronavirus outbreak would impact the economy. Burr is accused in the suit of violating the Stock Act of 2012 that bans insider trading by members of Congress. Burr allegedly violated the law by shedding Wyndham shares after attending a private briefing with senators and White House officials in January.

Cohen Ordered to Stay in Jail: A federal judge brutally shot down a request by Michael Cohen, Trump’s former personal lawyer and fixer, to be released early from his three-year prison sentence due partly to his concern of contracting the coronavirus. Cohen’s “raising the specter” of the virus in a court filing last week was merely “another attempt to inject himself into the news cycle,” U.S. District Judge William Pauley ruled in New York today.

Elections, Politics & Shakeups

Biden Holds Sizable Edge: Former Vice President Joe Biden wields a substantial lead over Trump in 300 of the crucial “swing counties” that could

determine the November election, a new poll released today shows. The survey was taken last week as Americans were just starting to grapple with economic worries because of the coronavirus outbreak. Trump was holding daily televised briefings on the coronavirus, while Biden was largely out of the limelight. The poll by Monmouth University showed that 50% of voters in key counties support Biden, while only 41% backed Trump.

Today, Biden described “misinformation” from the Trump administration as the “number one thing I’m most concerned about” ever since the president began suggesting he may buck medical advice in hopes of salvaging the U.S. economy. “Listen to the scientists. Listen to the doctors. Listen to what they have to say,” Biden said in an interview with ABC’s “The View,” urging Trump to give more airtime and credence to Anthony Fauci, head of the National Institute of Allergy and Infectious Diseases.

Meanwhile, Trump began his remarks at the Fox News “virtual town hall” on the coronavirus outbreak by attacking Biden and misleading viewers about restrictions he ordered on Chinese travelers to the U.S. “I made a decision to close off to China,” Trump said on the program today. “That was weeks early, and honestly I took a lot of heat. Sleepy Joe Biden said it’s xenophobic, I don’t know if he knows what that means, but that’s OK.” Trump’s portrayal of his China order isn’t accurate, and there’s no record of Biden specifically criticizing the decision.

Virus Threatens GOP Senate Majority: Senate Republicans’ hopes of keeping the majority are diminishing as the coronavirus outbreak threatens to topple an economy party leaders hoped would power them to re-election, strategists and analysts said. The nonpartisan Cook Political Report’s Jessica Taylor had [recently written](#) that Democrats’ odds are on the rise, as she downgraded the re-election prospects of some GOP incumbents. She cited the coronavirus emergency and Trump’s handling of it, plus the likelihood that Joe Biden will be the Democratic nominee.

Ex-NSC Aide Heads to Saudi Arabia: Victoria Coates, a former deputy national security adviser now working at the Energy Department, will be based in Saudi Arabia to give the Trump administration an added presence in the region as an oil price war between the Saudi and Russian governments unfolds. Coates was named a senior adviser to Energy Secretary Dan Brouillette in February and her assignment to Saudi Arabia has been in the works for some time, according to a department official.

New Chemical Investigation Board Chair: A panel that investigates industrial chemical accidents, such as refinery explosions, is closer to having a new chair after the Senate yesterday by voice vote confirmed an aviation safety specialist,

Katherine Lemos, to head the Chemical Safety and Hazard Investigation Board. Trump nominated Lemos in June to the five-year term.

What Else to Know Today

Trump Scotland Golf Trip Cost U.S. \$1 Million: The trip that Trump took to his Turnberry golf resort in Scotland in 2018 cost the U.S. government at least \$1 million, according to a new report from the Department of Homeland Security's inspector general and several lawmakers, Shaun Courtney reports. The Secret Service alone incurred nearly \$1 million in costs for expenses ranging from hotel rooms to golf carts. An additional \$230,000 in costs to the State Department bring the total to nearly \$1.1 million, lawmakers determined. No fraud indicators or unauthorized costs were found, the IG report states.

Rep. Carolyn Maloney (D-N.Y.), chairwoman of the House Oversight and Reform Committee, and Sens. Tom Carper (D-Del.) Elizabeth Warren called the trip "unnecessary and wasteful," in a joint statement.

Court Urged to Expand Cloud Review: Amazon wants a federal court to force the Defense Department to broaden the scope of its reevaluation of a decision to award Microsoft with a controversial \$10 billion cloud-computing contract. In a filing to the U.S. Court of Federal Claims made public today, Amazon said that the Pentagon needs to revisit the procurement "with respect to all of the errors identified by the protest" filed by the company.

Tool in Swine Fever Field Test: As the coronavirus sweeps the globe, scientists are making progress on developing testing that could help to combat a different deadly disease: African swine fever, which has been ravaging herds of hogs. The Homeland Security Department has taken an interest in the disease, which kills 99% of hogs it infects, as it spread in Asia last year and caused food shortages. If it landed on American soil, it could harm the more than 100 million hogs on U.S. farms, ultimately threatening protein supplies.

Navy Spends \$400,000 to Unclog Toilets: New toilets on the Navy's two newest aircraft carriers clog so often that the ships' sewage systems have to be cleaned periodically with specialized acids costing about \$400,000 per flush, according to a recent congressional audit outlining \$130 billion in underestimated long-term maintenance costs. The Navy isn't sure the toilet systems on the USS Gerald R. Ford and the USS George H. W. Bush can withstand the demand without failing frequently, according to the watchdog agency's report on service sustainment costs released today.

NYT Defamation Suit Dismissed: The defamation suit by a Justice Department attorney against The New York Times that was based on an article about alleged

groping at the department was dismissed by a federal district court in New York. The article is protected speech under New York's fair report doctrine, the ruling by Judge Vernon S. Broderick of the U.S. District Court for the Southern District of New York said.

