

# Pelosi Faces Party Schism on Stimulus; Trump's Jobs Bet Unravels

By Brandon Lee | May 8, 2020 3:54PM ET

A perennial divide between progressive and centrist House Democrats is spilling into inner-party negotiations on the next coronavirus stimulus legislation, with vulnerable incumbents facing re-election this year urging for a fast compromise with Republicans to get a deal to the White House. Speaker Nancy Pelosi is vying to corral the moderates with liberal members, who have demanded bigger relief payments for individuals, stricter climate rules, and canceling student debts.

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

## **Pelosi Confronts Moderates-Liberals Rift on 'Big, Bold' Aid**

Some moderate House Democrats facing re-election in tightly contested districts are pushing back against demands from party's progressive wing for an expansive new coronavirus relief package and urging compromise with Republicans to get the bill through Congress quickly.



Photo by SAUL LOEB/AFP via Getty Images  
Pelosi on May 7

Democrats are debating a host of proposals for the next round of aid, including extending jobless benefits and providing more cash payments to individuals. They're also arguing over whether to pass a Democrats-only measure before starting talks with the GOP-controlled Senate and White House. Some moderates are showing an openness to Republican ideas such as tax breaks and liability protection for businesses.

The swing-district Democrats, who are key to the party's House majority, are influential with Speaker [Nancy Pelosi](#) (D-Calif.), who said yesterday she's not drawing hard lines on what the next relief package must include. She said House Democrats could present and vote on their plan as soon as next week, while also describing it as a starting point for negotiations with President Donald Trump's administration and Senate Republicans.

"This bill should be singularly focused on addressing the Covid health and economic crisis and it should in all ways be bipartisan," Rep. [Stephanie Murphy](#) (D-Fla.) said. "There are so many people suffering in my community, they cannot suffer because of partisan games."

Progressive House Democrats advocate using the next bill to promote plans for guaranteed income, higher auto-emission standards and bolstered health care. They seek to showcase those priorities even if it means the House passes a bill with no bipartisan support. Rep. [Alexandria Ocasio-Cortez](#) (D-N.Y.), a high-profile progressive, voted against the last stimulus bill, saying it didn't provide enough direct aid to individuals.

Also today, Reps. [Ilhan Omar](#) (D-Minn.), [Ayanna Pressley](#) (D-Mass.) and two dozen other Democrats urged House leadership to include a "universal, one-time, student loan debt cancellation of at least \$30,000 per borrower in the next round of COVID-19 relief legislation."

Progressive agenda items have opened to door to attacks by Republicans, who have preemptively accused Democrats of trying to use the relief plan to enact a liberal wish list of policy proposals that have nothing to do with the coronavirus pandemic. [Read more from Erik Wasson.](#)

### **Worst Job Slump Since Depression Weighs on Trump**

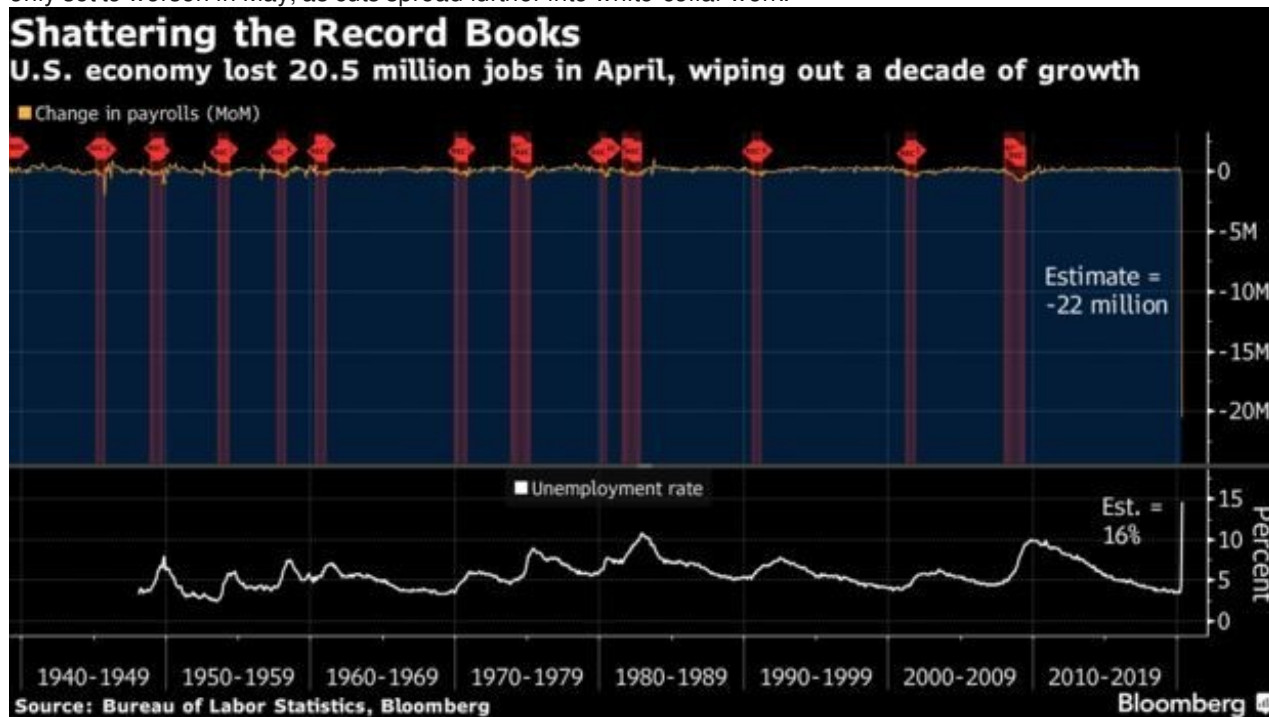
President Trump says he resuscitated Barack Obama's gasping economy and proceeded to build it to its strongest in generations. Now as record job losses mount across the country, the decline will bear his name in history as well. And those losses come just six months before the election.

Presidents of both parties take credit for the economy when it's roaring and are usually blamed when it fails, regardless of the circumstances of the downturn. An unemployment rate for April of 14.7%, the highest since the 1930s, is difficult for any politician to keep at arm's length.

The collapse robs Trump of his chief argument for re-election and will fuel his drive to quickly “reopen” the U.S economy, even as solid majorities of Americans are reluctant to return to public life. [Gregory Korte, Mario Parker and Katia Dmitrieva have more on what today’s jobs numbers mean for Trump.](#)

- Joe Biden assailed Trump’s stewardship of the economy today in a 12-minute speech streamed by NowThis, a youth-focused news organization. Biden said that Trump’s misguided agenda has exacerbated the damage of the coronavirus and will prolong the recovery efforts. He then promoted his economic policies in broad strokes, centered on strengthening the middle class, and contrasted it to the president’s focus on the wealthy and the powerful. [Read more from Tyler Pager.](#)
- Related: [Trump Says ‘No Rush’ for More Relief After 20 Million Jobs Lost](#)

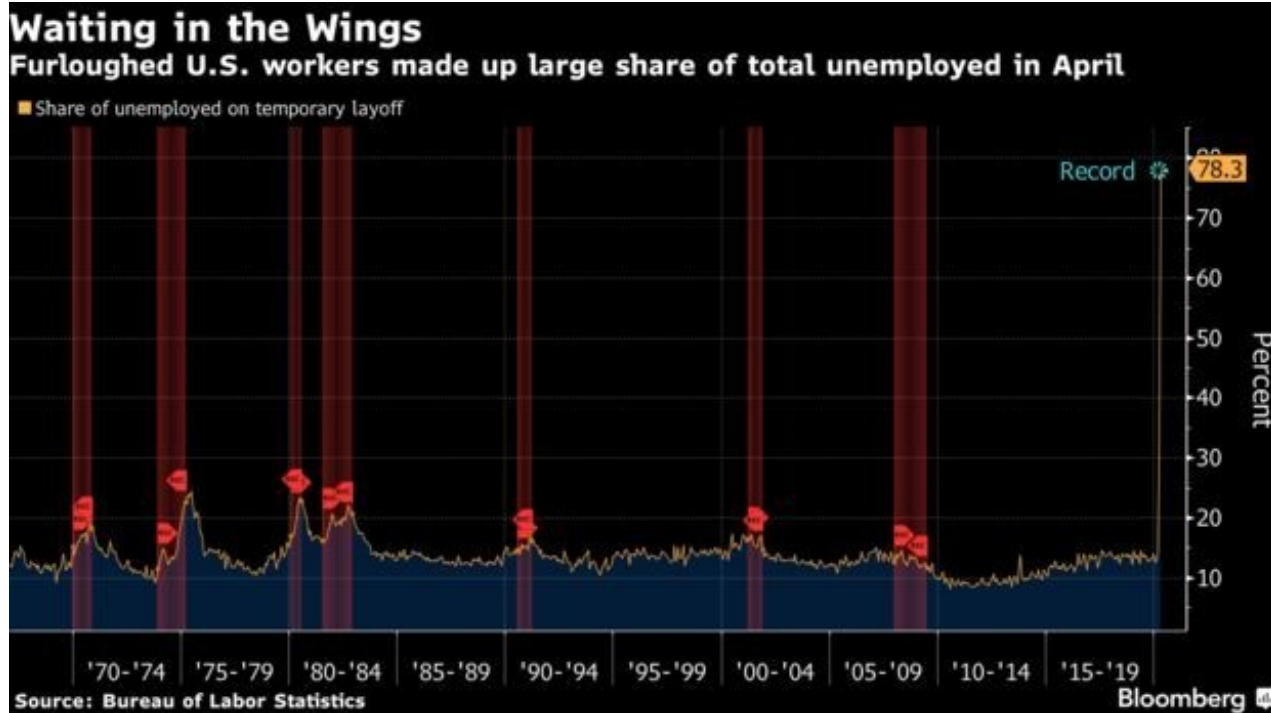
**Job Losses Herald More Pain to Come:** In the harshest downturn for American workers in history, employers cut an unprecedented 20.5 million jobs in April, tripling the unemployment rate to 14.7%, the highest since the Great Depression era of the 1930s. And it’s only set to worsen in May, as cuts spread further into white-collar work.



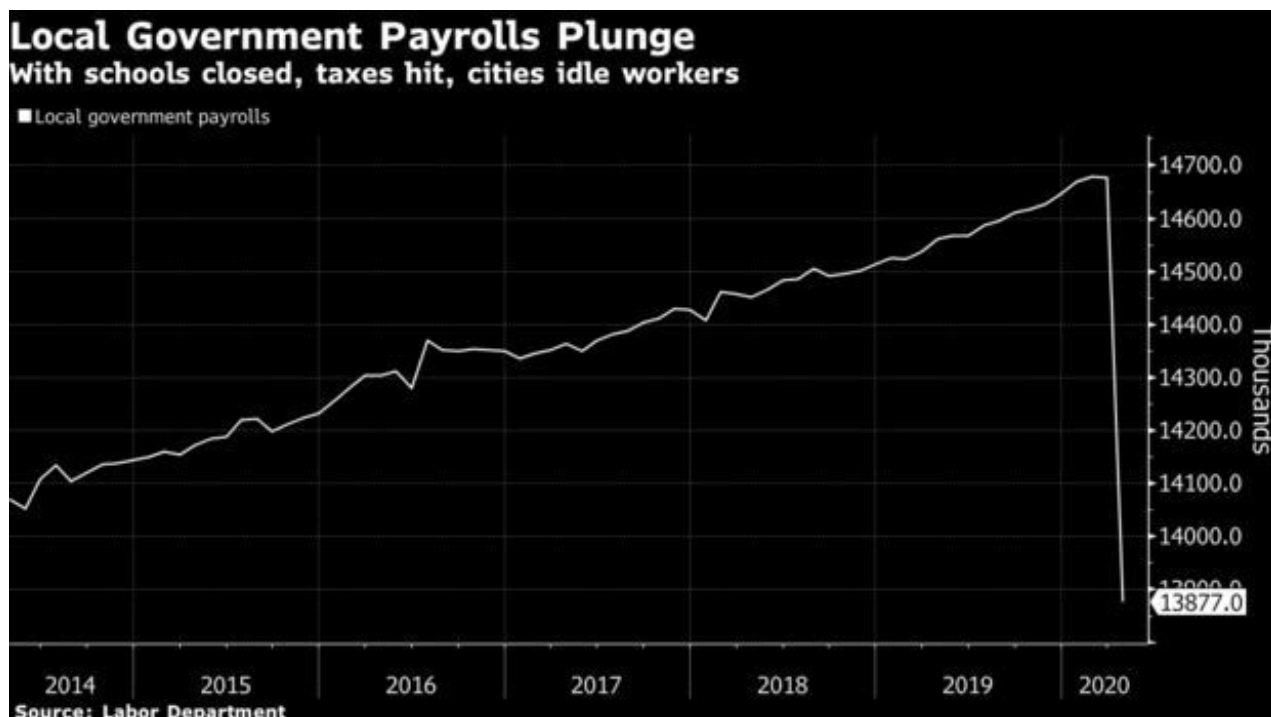
The pandemic’s initial tremors hit those least able to absorb the blow, with April’s job losses concentrated in lower-wage labor, from hospitality to retail and restaurants. In May, layoffs will extend further into white-collar positions, according to Lydia Boussour of Oxford Economics. [Katia Dmitrieva has more.](#)

- BGOV OnPoint: [Virus-Related Unemployment Surges in U.S.](#)
- The jobless rate among women jumped to 15.5% from 4%, compared with a 9-point increase among men, to 13%, according to the figures. Among black and African Americans, the unemployment rate was 16.7%; it was 18.9% for Hispanics and Latinos, compared with 14.2% for white Americans, [Sophie Caronello and Katia Dmitrieva report.](#)
- Still, if there was a smidgen of a silver lining in the dismal report, it’s that the lion’s share of unemployed Americans were temporarily laid off from their jobs. Almost 80% were classified as furloughed, indicating the pandemic-induced shutdown of the economy so far isn’t leading to widespread and permanent losses,

government data showed today. [Vince Golle has more.](#)



**States, Cities Cut Payrolls by Nearly 1 Million:** U.S. states and cities cut their payrolls steeply as the shutdowns of the economy decimated tax collections, threatening to push them into the worst fiscal crisis in decades. The number of state and local government jobs fell by 981,000 to 18.9 million in April, according to U.S. Bureau of Labor Statistics data released today. The drop, though small compared to the private sector jobs lost, is significant because governments didn't start laying off employees until well after the onset of the last recession. [Read more from Amanda Albright.](#)



- California is likely to face revenue shortfalls long after the coronavirus crisis ends, resulting in budget gaps that may total as much as \$126 billion over the next four years if the economy doesn't quickly recover, the state's nonpartisan legislative analyst office said in a report today. The analysis comes a day after Gov. Gavin Newsom (D) said the federal government needs to help the state grapple with a \$54 billion shortfall projected through June 2021. [Read more from Romy Varghese.](#)

**Dental Industry Sees Less Federal Aid:** Dental practices accounted for more than a third of the 1.4 million health-care industry job losses in April, according to the Bureau of Labor Statistics. Dental practices lost 503,000 jobs in April, according to BLS data. Before the coronavirus pandemic, the health-care industry had been a cornerstone for growth in the economy, adding jobs steadily even through recent recessions. The coronavirus spread shut down much of the industry, with dental practices and physicians offices shedding a combined 746,000 jobs in April alone. [Read more from Alex Ruoff.](#)

#### **Other Industry Pains & Economic Actions**

**IRS Sets Wednesday Deadline for Direct Checks:** The Internal Revenue Service said it will accept bank account information until noon Wednesday for people who want to receive stimulus payments by direct deposit. After that, the IRS will send the money by check to the address on file, with those payments expected to arrive in late May and June, according to a statement from the agency today. Taxpayers can submit their information and check on the status of their money at the IRS's website. [Read more from Laura Davison.](#)

**Coronavirus-Related Patents to Be Fast-Tracked:** Small businesses working on coronavirus-related drugs or treatments can get patents in as few as six months under a new program announced by the U.S. Patent and Trademark Office. "Independent inventors and small businesses are often the difference makers when it comes to cutting-edge innovation and the growth of our economy," patent office Director Andrei Iancu said in a statement. "They are also in most need of assistance as we fight this pandemic." [Susan Decker has more.](#)

**Mother's Day Flowers Imports Choked:** International air travel restrictions designed to curb the virus are strangling flower imports from South America, leaving struggling mom-and-pop shop owners without enough inventory to meet surging Mother's Day demand. "Brick-and-mortar flower shops aren't better financed than restaurants are—and we were completely shut down," Kathleen Menichelli, owner of Alice's Flower Shop in Connecticut, said.

Travel restrictions on passenger flights carrying cargo have caused fewer planes to travel to the U.S. from South America with flowers. Voyages of cargo ships from South America have also been curtailed, and a temporary [ban](#) on non-essential travel across the Mexican border through May 20 has severed another major source of flower imports. The industry is now wholly dependent on cargo flights and the few remaining passenger flights. [Megan U. Boyanton has more.](#)



## Flower Imports Processed by U.S. Customs and Border Protection

Between April 1 and May 6,  
2019, CBP processed

**1.2B**  
flowers

from more than

**340K**  
shipments



Between April 1 and May 6,  
2020, CBP processed

**761M+**  
flowers

from more than

**160K**  
shipments



Source: U.S. Customs and Border Protection

Bloomberg Government

### Testing, Research & Path to Reopening

**New Funding for Testing, Tracing Sought:** House Democrats want to provide more funds for Covid-19 testing and surveillance to aid efforts to restart the U.S. economy, House Energy and Commerce Chairman [Frank Pallone](#) (D-N.J.) said during a teleconference briefing. The House does “intend to do more” in terms of funding testing and contact tracing programs, he said.

At the briefing, Andy Slavitt, a former acting administrator of the Centers for Medicare & Medicaid Services, outlined his \$46.5 billion plan to reopen the economy and expand the contact tracing workforce. Slavitt warned that the Covid-19 pandemic is still growing in much of the country and the public health infrastructure needs to expand. “We’re heading to 100,000 American lives lost, and we’re not appreciably slowing,” he said. [Read more from Alex Ruoff.](#)

**Without CDC Guidance, Reopenings Follow Patchwork:** As businesses across the U.S. begin reopening amid the crisis, they’re following a patchwork of state, local and industry guidance on how to do it safely. What they’re not following are official and detailed recommendations from the nation’s top public health agency, the U.S. Centers for Disease Control and Prevention because the Trump administration hasn’t released them. State health departments in places such as Georgia, Alabama, North Carolina and Ohio, where some businesses have been reopening, have published their own guidelines. [Margaret Newkirk and Emma Kinery have more.](#)

**New Wave Won't Require Shutdown, Kudlow Says:** The U.S. won't have to shut down its economy again if there's a resurgence of the coronavirus as the nation starts to reopen, Trump's top economic adviser said. National Economic Council Director Larry Kudlow said in an interview on Bloomberg Television that he's been told by a member of the White House's coronavirus task force that he didn't name that a second wave of the outbreak wouldn't require a shutdown. [Read more from Eric Martin and Jonathan Ferro.](#)

**HHS Said Debated Wider Use for Malaria Drug:** A request from Health and Human Services Secretary Alex Azar to make an established malaria treatment available for Covid-19 patients set off an internal debate about how to authorize the drug's use for that purpose, a complaint filed by a recent administration official said. The FDA ultimately gave hydroxychloroquine an "emergency use authorization" letting doctors in hospitals, under certain conditions, prescribe the drug for patients with the virus' respiratory disease.

- QuickTake: [Where Are We in Quest for Coronavirus Drugs, Vaccine?](#)

Documents from an administrative proceeding filed by former HHS Biomedical Advanced Research and Development Authority Director Rick Bright allege that Azar initially asked that the drug be made available under an "expanded access" protocol, typically used for drugs that haven't yet received FDA approval, which hydroxychloroquine has. Also called "compassionate use," that approach allows patients with severe illnesses to try unapproved drugs when no other therapies are available. [Read more from Shira Stein and Jeannie Baumann.](#)

**Birx to Handle Virus Drug After Supply Question:** The White House will have Deborah Birx, a member of the coronavirus task force, help oversee distribution of Gilead's Covid-19 drug following questions about the opaque process for getting the therapy to U.S. hospitals. "She is going to be working and consulting as to where this drug should go," White House spokeswoman Kayleigh McEnany said at a briefing today. "She really has the best grasp as to how that should be distributed." [Read more from Michelle Fay Cortez.](#)

**FDA Approves Test Using At-Home Collection:** The FDA today approved the first diagnostic test with the option of home-collected saliva samples for Covid-19 testing. The FDA issued the emergency use authorization to Rutgers Clinical Genomics Laboratory. The authorization for the molecular test permits testing of a saliva sample collected from the patient using a designated self-collection kit. [Read more from Robert Lavelle.](#)

**New York State 'Ahead of the Virus':** New York is "finally ahead of the virus," Gov. Andrew Cuomo (D) said. Total hospitalizations are down to 8,196, from more than 18,000 at the peak. The daily death toll is at about 200, down from a high of nearly 800. New York "would have hoped to see a steady sharp decline" in new hospitalizations, which are still around 600 a day, Cuomo said today at a press briefing in Poughkeepsie. "We haven't killed the beast, but we're ahead of it," he said. "We are ahead of it, and we are in control of our own destiny." [Read more from Stacie Sherman.](#)

- New York City Mayor Bill de Blasio (D) said today the city would embark on an unprecedented diagnostic-

testing program, hiring as many as 10,000 public-health workers to trace contacts of people who are infected. The city, which is conducting about 14,000 daily tests, will need to hike its capability to 20,000 a day by May 25, with a goal of reaching 50,000 in the next few months, he said. [Read more.](#)

- Neighboring New Jersey will begin testing some residents not showing Covid-19 symptoms as the state seeks to broaden monitoring, Gov. Phil Murphy (D) said today. Health workers will still get priority, but including asymptomatic residents is part of “a step forward” as New Jersey looks to begin reopening its economy, Murphy said. [Read more.](#)
- Virginia Gov. Ralph Northam (D) defended his stay-at-home order against a Trump administration claim that the measure improperly restricts religious freedom in the state during the pandemic. The federal government is misinterpreting the details of the executive order as well as the reach of the state’s power during an emergency, the Democratic governor said in a filing late Thursday in federal court in Norfolk, Va. [Read more from Erik Larson.](#)

**Amtrak to Restore Acela Service:** Amtrak said it will [resume](#) high-speed Acela service in the Northeast Corridor on June 1 on a modified schedule of three weekday roundtrips to meet an anticipated demand boost.

#### **Also on Lawmakers’ Radars**

**Deadline Nears for Spending Drafts:** Some House appropriators are wrapping up a first draft of their fiscal 2021 spending bills today, though plenty of issues are still up in the air due to the uncertainty surrounding coronavirus relief bills, a key appropriator said. But one thing is clear about House Democrats’ funding priorities: They won’t offer any money for Trump’s border wall. “I’m not funding that,” Appropriations Homeland Security Chairwoman [Lucille Roybal-Allard](#) (D-Calif.) said in an interview.

At least some House Appropriations subcommittee leaders were asked to send in draft legislation by today so that House Democratic leaders could review it, Roybal-Allard said. It’s a sign appropriators have managed to make significant progress on funding legislation while mostly working from home over the last month. But there are still plenty of question marks, she said. In the Homeland Security spending bill, it’s hard to predict what border security needs will be.

On one hand, lawmakers may need to provide extra funds to address outbreaks at detention centers, Roybal-Allard said, pointing to the recent death of Carlos Escobar-Mejia, a 57-year-old Salvadoran man at an Immigration and Customs Enforcement detention center. On the other hand, border crossings are down significantly, which could reduce the need for some funds, she said.

- Separately, Senate Judiciary Committee ranking member [Dianne Feinstein](#) (D-Calif.) called on Chairman [Lindsey Graham](#) (R-S.C.) to hold a committee hearing on safety at ICE detention facilities following Escobar-Mejia’s death.

Roybal-Allard said she’s also still considering ways her measure might be able to improve the Federal Emergency Management Agency’s response to contagious disease outbreaks in the future, including how to manage the need for personal protective equipment. “We really weren’t prepared for something like this,” she said of the coronavirus pandemic. [Read more from Jack Fitzpatrick.](#)



**Democrats Urge Companies Urged to Return PPP Loans:** Democrats on the Select Subcommittee on the Coronavirus Crisis sent letters demanding large, public corporations to immediately return Paycheck Protection Program loans. “We did not intend for these funds to be used by large corporations that have a substantial investor base and access to capital markets,” the lawmakers wrote in letters to companies including EVO Transportation & Energy Services, Gulf Island Fabrication, MiMedx Group, Quantum Corporation and Universal Stainless & Alloy Products. [Read more from Billy House.](#)

**Lawmakers Urge Punishment For Banks That Won’t Serve Drillers:** Three dozen lawmakers are pushing the Trump administration to get tough on banks and asset managers that restrict financing for oil drilling and coal mining, arguing they are “discriminating against America’s energy sector” and it “must be confronted.” In a letter released today, the lawmakers told Trump that he should punish those lenders by blocking them from participating in federally guaranteed loan programs created in response to the coronavirus, including the PPP. [Read more from Jennifer A. Dlouhy.](#)

**Democrats Push to Restore WHO Funding:** Democrats on the Senate Foreign Relations Committee plan to introduce legislation today that would restore U.S. funding for the World Health Organization and appropriate \$9 billion to support international efforts to fight the pandemic. The move comes as Trump and his administration claim that the agency was complicit in the spread of the virus by accepting initial claims from China about the severity of the outbreak. He then temporarily suspended U.S. payments to the WHO.

The legislation would require the immediate restoration of funds to the WHO and would re-establish a position for global health emergencies on the staff of the National Security Council. The legislation also aims to keep sanctions from affecting humanitarian relief and medical equipment delivery efforts to North Korea, Iran, and Venezuela. [Read more from Daniel Flatley.](#)

- Meanwhile, the Department of State said today that China has stepped up a campaign to shift blame for the outbreak by using fake internet accounts to promote conspiracies on the source of the virus as Beijing adopts Russian-style disinformation tactics. Experts at the department’s Global Engagement Center have found evidence of a campaign linked to the ruling Communist Party in which accounts run by Chinese officials and other officials gained hundreds of followers a day. [Nick Wadhams has more.](#)
- Earlier today, Trump cast doubt on the future of his “phase one” trade deal with China, one of the biggest accomplishments of his first term, saying that he’s struggling with Beijing in the wake of the pandemic. “I’m having a very hard time with China,” Trump said in an interview on Fox & Friends. “I made a great trade deal months before this whole thing happened,” Trump said. “And then this happens and it sort of overrides so much.” [Read more from Josh Wingrove.](#)

**FCC Asked to Rethink Ligado Approval:** Leaders of the House Armed Services Committee, citing risks to GPS, asked the Federal Communications Commission to reconsider its approval of a mobile network by Ligado Networks, adding new pressure on the agency to reverse the move. Chairman [Adam Smith](#) (D-Wash.) and ranking member [Mac Thornberry](#) (R-Texas) in a letter signed by 21 other members of the committee, expressed “deep concern” over the approval granted April 20. [Read more from Todd Shields.](#)

**\$4 Million Sought to Fight ‘Murder Hornets’:** House Natural Resources Chairman [Raul Grijalva](#) (D-Ariz.) introduced a bill today that would give states new funding to eradicate the Asian giant hornet, or so-called “murder hornet.” The bill would direct \$4 million to states each year for the next four years to eliminate the hornet and restore bee populations. The hornets, an invasive species native to Japan, was first discovered in Washington state last December. [Read more from Adam Allington.](#)

**Democrats Seek to Block Water Rule:** House Democrats introduced legislation today that would prevent the Trump administration from redefining the water bodies and wetlands subject to federal regulation under the Clean Water Act. The measure, introduced by House Transportation and Infrastructure Chairman [Peter DeFazio](#) (D-Ore.) and Rep. [Grace Napolitano](#) (D-Calif.), would overturn the administration’s Navigable Waters Protection Rule. [Amena H. Saiyid has more.](#)

#### **Elections, Politics & Probes**

**House Temporarily Blocked From Mueller Records:** The U.S. Supreme Court temporarily blocked House Democrats today from getting access to confidential materials from Special Counsel Robert Mueller’s investigation while the justices consider a bid by Trump’s administration for a longer delay. The administrative stay issued today means the Justice Department won’t have to meet a Monday deadline to turn over the materials, which include grand jury transcripts and redacted parts of Mueller’s report. [Read more from Greg Stohr.](#)

**Flynn’s Path to Freedom Crosses Skeptical Judge:** After fighting to get the government’s case against him thrown out, former Trump National Security Adviser Michael Flynn got his wish yesterday when U.S. prosecutors asked for the dismissal themselves. Now all he needs is for the judge to agree. That isn’t guaranteed. U.S. District Judge Emmet Sullivan has a number of options. [Read more from Erik Larson, Malathi Nayak, Patricia Hurtado and Edvard Pettersson.](#)

- Separately, Trump today said he learned from a fallen U.S. leader not to fire those investigating possible wrongdoing one day after the Department of Justice said it wanted to withdraw charges against Flynn. “I learned a lot from Richard Nixon. Don’t fire people,” Trump said. “I learned a lot. I study history.” [Read more from Elizabeth Wasserman.](#)

**Biden Hires Three Senior Aides:** Biden’s campaign has announced three new senior hires, bolstering the former vice president’s day-to-day operations. The three aides will work with Maju Varghese, the campaign’s chief operating officer and senior adviser, officials said. [Read more from Pager.](#)

**Ad War in Montana May Signal Tight Race:** Montana’s airwaves are filled with political ads six months before Election Day, a sign that both parties believe that Gov. Steve Bullock’s (D) entry made the race for a U.S. Senate seat in the Republican-leaning state highly competitive. Candidates and other outside groups have already spent more than \$2 million on TV and digital ads, according to Advertising Analytics, which tracks political ads. That includes nearly \$800,000 spent on TV so far by Sen. [Steve Daines](#)’ (R) campaign. [Kenneth Doyle has more.](#)

#### **What Else to Know Today**

**Pence Trip to Iowa Delayed After Aide Infected:** Vice President Mike Pence's press secretary, Katie Miller, tested positive for coronavirus today, Trump said, delaying Pence's departure for a trip to Iowa. She's the second person working at the executive residence to contract the virus this week. [Jennifer Jacobs has more.](#)

**GAO Faults Government on Scientist Recruitment:** The FDA and NIH haven't been able to recruit top scientists under an authority provided in a landmark biomedical innovation law because they are still waiting for guidance on how many people they can hire, according to a Government Accountability Office report released today, [Jeannie Baumann reports.](#)

**U.S. Apology May Be Sought for Gun Sting:** President Andres Manuel Lopez Obrador said the U.S. may have to apologize if it's confirmed American agents carried out the botched "Fast and Furious" gun running sting in the country a decade ago without the knowledge of the Mexican government. [Lorena Ross and Michael O'Boyle have more.](#)

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