

CED Public Policy Watch

11.20.2020

1. NUMBER OF THE WEEK: 33 (STATES WITH SOME MASK REQUIREMENT)
 2. UNEMPLOYMENT CLAIMS RISE SLIGHTLY
 3. PANDEMIC NEWS
 4. WHAT TO EXPECT: THE BIDEN CAREGIVING PROGRAM
 5. INFRASTRUCTURE PLAN BEING WEIGHED IN CONGRESS
 6. MNUCHIN DECLINES TO EXTEND SEVERAL EMERGENCY FED LENDING PROGRAMS
 7. SPOTLIGHT ON REOPENING: RECENT SURGE IN COVID-19 CASES, UNITED STATES VS. CANADA
-

1. NUMBER OF THE WEEK: 33 (STATES WITH SOME MASK REQUIREMENT)



(Source: [New York Times](#))

As of this date, 33 states have imposed some mask-wearing requirement to try to tamp down the rapid spread of the coronavirus. There is an uneven pattern of restriction on business operations.

2. UNEMPLOYMENT CLAIMS RISE SLIGHTLY

In the week ending November 14, after the October monthly Employment Situation Report suggested surprising strength, new unemployment insurance claims rose by a little over 18,000 (not seasonally adjusted; in these extraordinary times, seasonal adjustment probably obscures more than it clarifies, and seasonally adjusted claims increased too). In data whose reporting lags, the number of persons claiming benefits under all programs in the week ending October 31 decreased slightly, from about 21.2 million to about 20.3 million. These figures are consistent with an economy that has rebounded sharply but only partially, and that having achieved the easiest employment gains is showing slower progress. As CARES Act programs expire at the end of the year, and as the spread of the virus accelerates remorselessly (see below), the labor market could struggle to maintain even the recent halting progress.

3. PANDEMIC NEWS

It was the best of times, it was the worst of times...

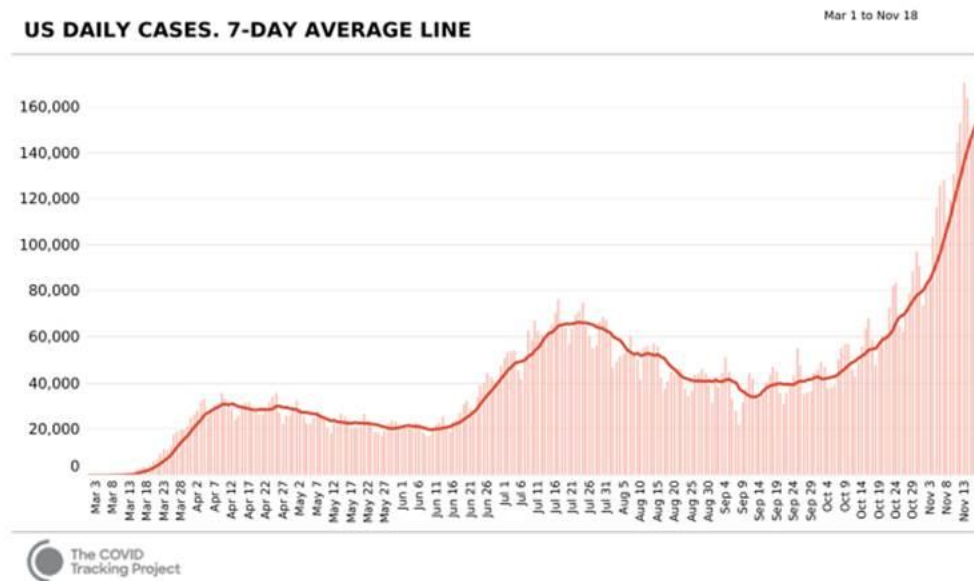
Vaccine news. In quick succession, [Pfizer](#) and [Moderna](#) announced extraordinarily high rates of efficacy for their vaccines—each in the range of 94-95 percent. This is of course far beyond the efficacy of the annual flu vaccine, and in the range for such routinized inoculations as measles and mumps. The two vaccines use the same new, as yet untested medical technology, inducing the body to produce antibodies to artificially injected “spike” proteins that the coronavirus would use in a subsequent exposure to achieve infection.

Pfizer has stated that its vaccine has demonstrated 94 percent efficacy for persons over 65 years old, a critical attribute, and that it has verified safety to the FDA standard as well (which requires at least two months to pass without serious adverse events for at least half of the trial subjects who received both doses of the vaccine). Pfizer expects to apply for an emergency use permit imminently (possibly today). The company claims that it can produce worldwide 50 million doses (enough for 25 million persons at two doses per person) in 2020, and 1.3 billion doses in 2021. Pfizer has three US manufacturing facilities, and one in Belgium at this time, noting that it can convert other facilities in Germany. Moderna has achieved similar efficacy, and awaits the last days of its safety tests before applying for emergency use (with no serious adverse events thus far).

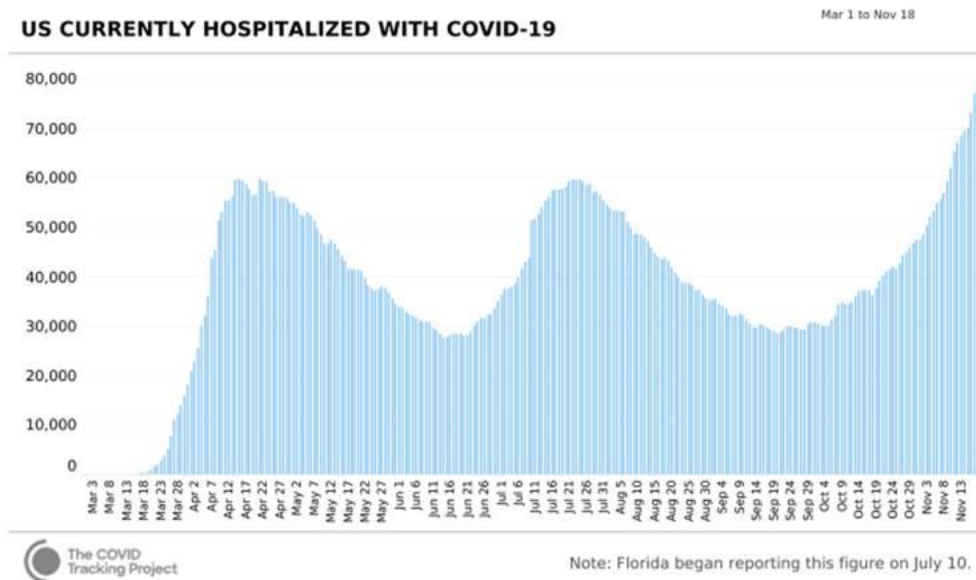
Home testing. Another positive development was FDA emergency use [approval](#) of a home COVID-19 test. It will be available by prescription for self-use by persons 14 years old and older, and can be administered in a medical facility for younger persons. Some FDA-approved tests have proved unreliable in the past, but the new device, if it proves accurate, will help people to determine whether they need to isolate to protect others from exposure to the virus.

That is the good news. Much of the remaining news is cautionary or simply bad.

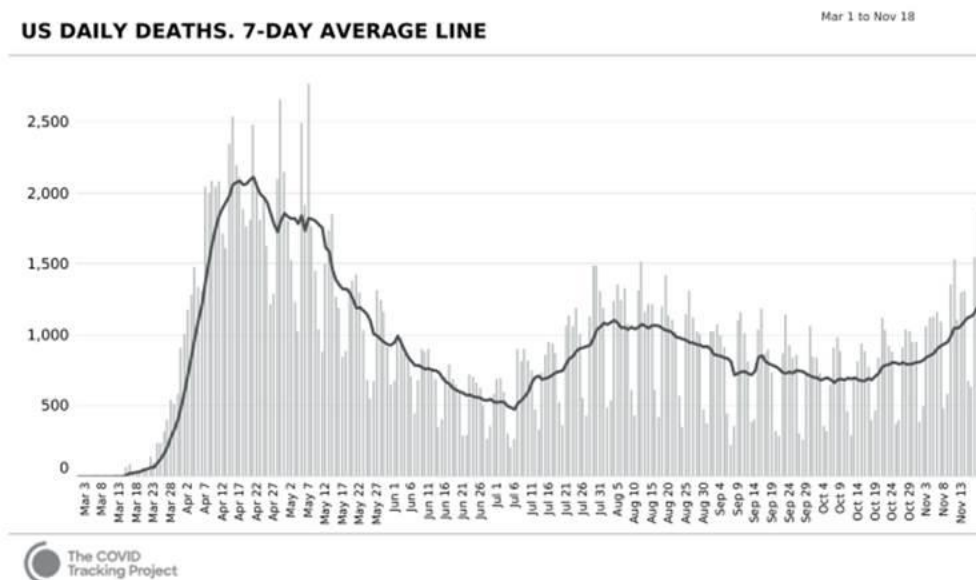
Spread of the virus. With highly effective vaccines just coming within sight, the severity of the pandemic is reaching new heights. New daily case counts are now double the summer peaks that caused such anguish.



Hospitalizations are also setting new records nationally. And the load on health care systems is spread unevenly, with some regions becoming [overwhelmed](#) to the point where neither coronavirus patients nor others with non-COVID ailments can be cared for. Midwestern states that were spared the original outbreak have become the new epicenters. Hospitals in population centers are full, and the hospitals in the nearest rural areas are not equipped to deal with the virus at all. There are accounts of patients being flown hundreds of miles for treatment, with serious danger that the destination hospitals will overflow and be unable to receive any more patients from either near or far.

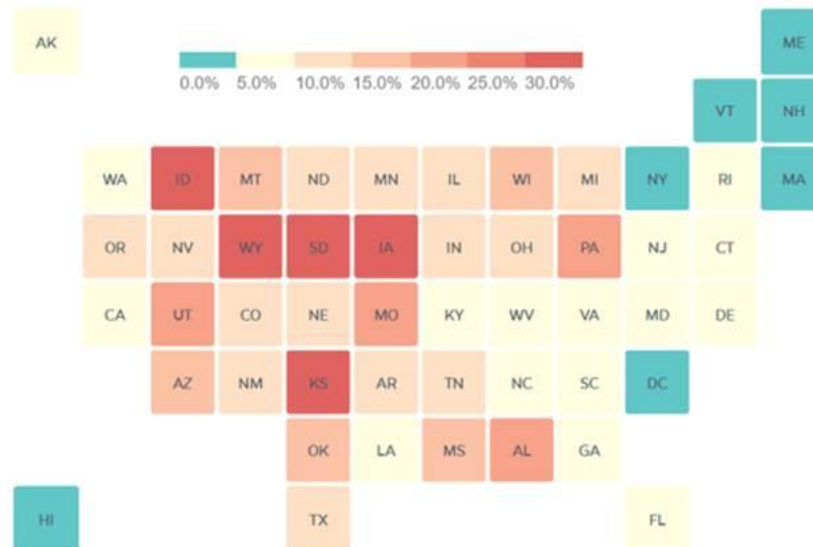


And although the medical system has learned admirably how to treat COVID-19 patients even with only limited specific remedies, the number of cases has increased so much that deaths are reaching the levels of the summer. With cases continuing to rise, the future of the death toll is chilling. And with the virus entering its preferred winter season, with holidays that will send people from and into areas where the virus is rampant and then back again, experts look at the remainder of this season with dread.



Testing positivity. Part of the concern recently has been the high positivity rate in COVID-19 tests. Positivity rates are not a precise indicator, because different jurisdictions impose different frequencies of testing under different conditions; only people with severe symptoms might be tested, or tests might be administered more randomly to try to gauge the penetration of the virus into the general population. But recent testing data have shown troublingly high positivity under any likely circumstances. In only seven states have positivity rates been below the WHO guideline maximum of 5 percent for control of the virus. Five Midwestern states are above 30 percent, and on particular days, some have registered above 50 percent. This is an enormously worrying sign for the path of the virus.

COVID-19 Testing Positivity



(Source: [Johns Hopkins University of Medicine Coronavirus Resource Center](#))

Vaccine delivery issues. As you surely have heard, the first vaccine exiting Phase 3 trials, developed by Pfizer with its partner BioNTech, is both gratifyingly effective and complex to handle and deliver. It has been [likened](#) to a food that can spoil rapidly if not handled with extreme care. Specifically, the vaccine must be stored at about minus 75 degrees Celsius, which is about 50 degrees colder than most vaccines; if exposed to open air for five minutes, it will thaw. This colder temperature is not at all unheard of in science, but it is highly uncommon in daily life, including in the delivery of health care. Some university science facilities have freezers that can maintain this temperature, but doctors' offices almost universally do not, and such freezers are highly expensive. To circumvent this problem, the [distribution plan](#) involves specially designed shipping containers with dry ice, which is itself relatively expensive and can be difficult to obtain. By current reports, a single container of vaccine vials (which holds many more vials than the typical minimum for other vaccines) can remain secure for 10 days, after which it must be repacked with dry ice at intervals of five days for a maximum of an additional

15 days. The extreme cold temperatures make such handling highly complex. When thawed and diluted (five doses per vial), the vaccine must be used within six hours. With supply likely to be limited for some time, wastage would be painful. Some accounts indicate that the state governments that will be responsible for receiving and distributing the vaccine have been aware of the issue for some time and are well prepared. But [others](#) say that states were first tasked specifically in October, and that many are behind the curve in completing their plans.

4. WHAT TO EXPECT: THE BIDEN CAREGIVING PROGRAM

The Biden transition team continues to hold public events, with a recent briefing on the economy. Press questions at the public proceedings were of course dominated by the COVID-19 pandemic and the dispute over the election results. However, there was some discussion about child care. The Biden campaign had presented a substantial [statement](#) of candidate Biden's priorities on care giving. Much of that statement focused on issues other than child care narrowly defined, such as elder care. A major point of the plan is generic fiscal relief for state and local governments, recognizing their role in providing care and the additional costs that they have borne in the pandemic. However, several specific planks are relevant to the child care issue, which has long been of which has long been [of policy interest and engagement at CED](#). The Biden campaign document cited the role of child care as a facilitator of participation in the work force, and the risk that many child care facilities will not survive the pandemic, [a concern emphatically raised by CED](#), including in a [recent letter to Senate Majority Leader McConnell](#). The Biden program includes:

- Provide emergency relief to help child-care providers to endure the pandemic.
- In the longer term, ensure access, and provide universal pre-K for three and four year olds.
- Offer working parents an income tax credit of up to \$8,000 for one child (\$16,000 for two or more children, both income-limited) to pay for care, while cooperating with the states to provide an alternative subsidy for low- and middle-income families.
- Expand Early Head Start for younger children.
- Expand after-school, weekend, and summer care for school-age children; provide care at community colleges, and expand care currently available for children of the military.
- Build safe, energy-efficient, developmentally appropriate physical facilities, including in workplaces.
- Treat caregivers with respect and dignity, including better pay, benefits (including family and sick leave, and care for their own children), training, and the right to join a union.
- Invest in quality standards of care.
- Provide a \$5,000 tax credit to informal care givers.

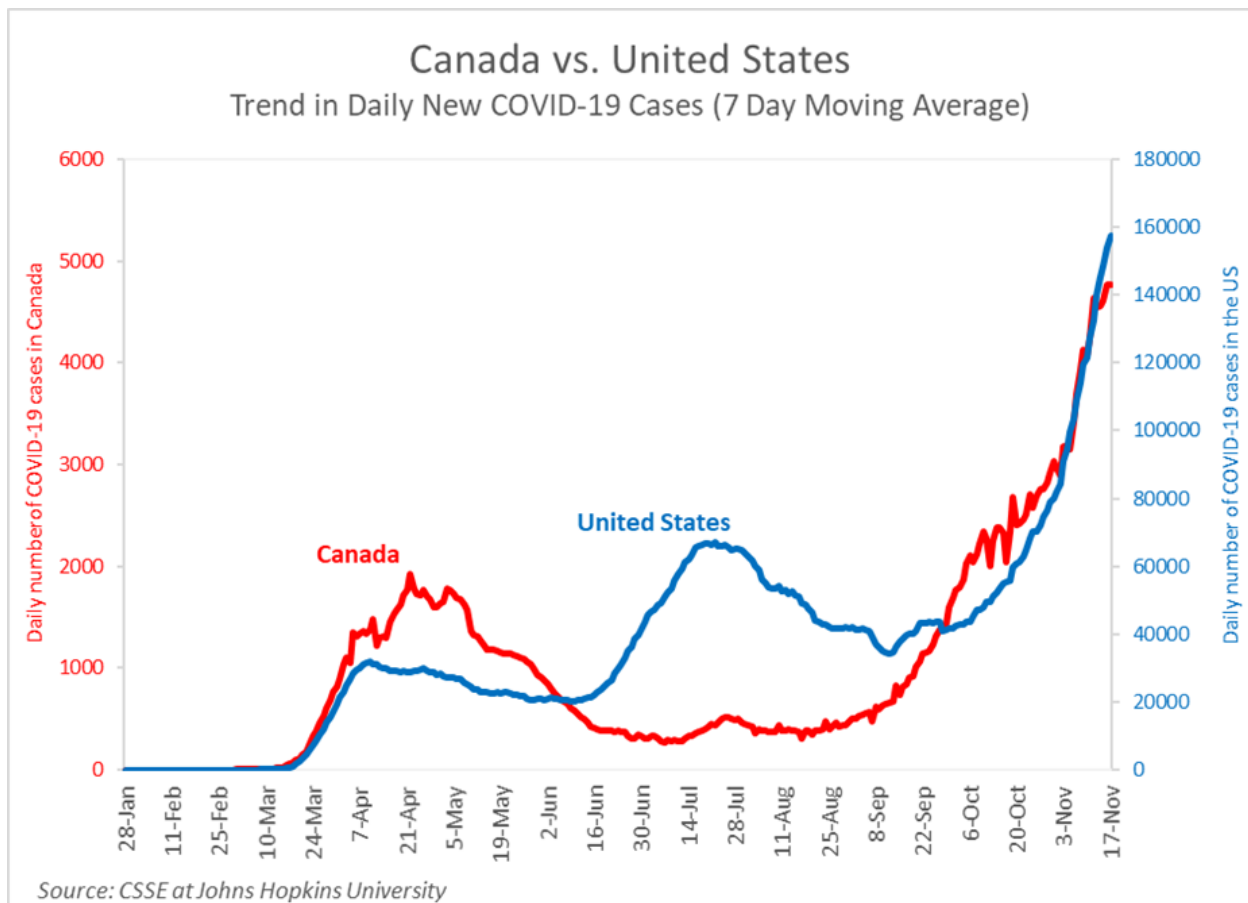
5. INFRASTRUCTURE PLAN BEING WEIGHED IN CONGRESS

The Wall Street Journal reported that Democrats and Republicans in Congress are eying the possibility of a major infrastructure bill as a possible area of compromise for a divided government to move forward. Senator John Barrasso, (R-Wyo.) the No. 3 Republican in the Senate and the chair of the Environment and Public Works Committee is quoted saying, "It would seem to be something we can work together on in a productive way." CED's new Infrastructure Committee is working to put together suggested solutions on how to find a bipartisan pathway on a comprehensive infrastructure plan for release at the beginning of February 2021.

6. MNUCHIN DECLINES TO EXTEND SEVERAL EMERGENCY FED LENDING PROGRAMS

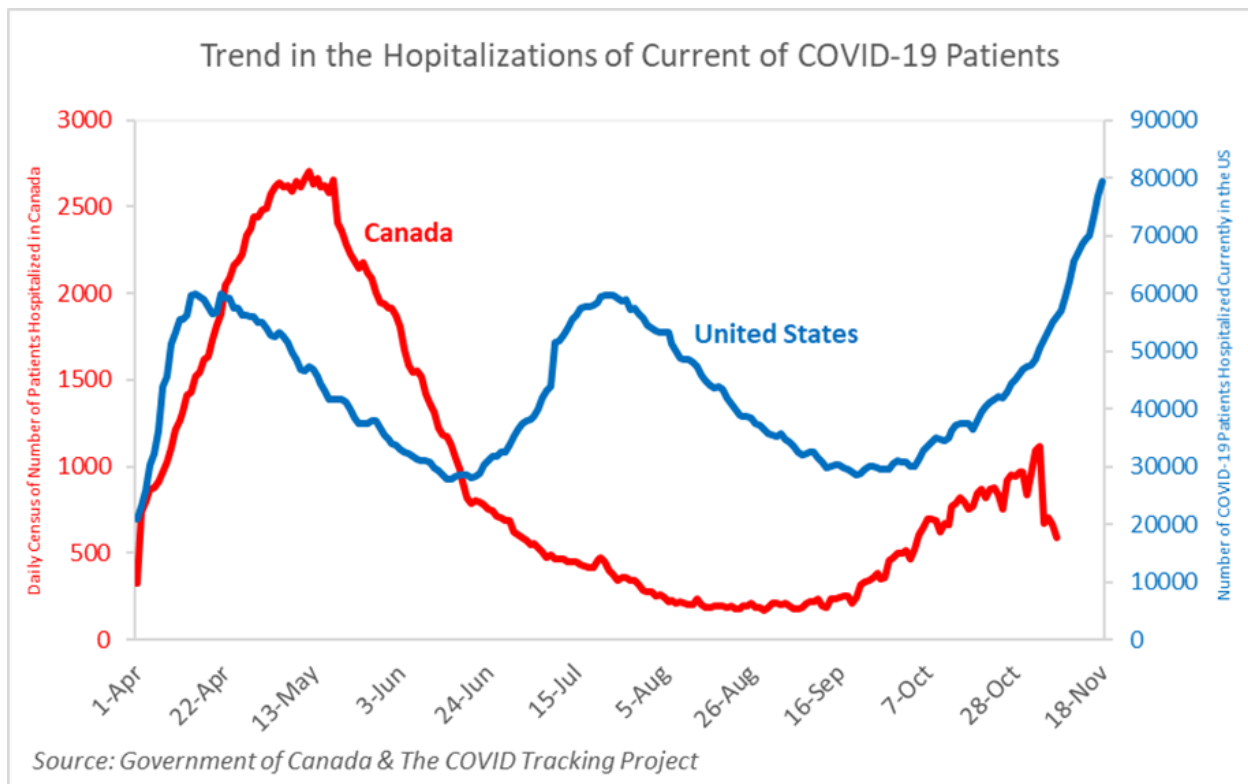
Treasury Secretary Mnuchin announced that the Fed programs backing corporate-credit and municipal-borrowing markets and lending to small and midsize businesses and nonprofits during the pandemic will end Dec. 31. The Fed [signaled disappointment in the decision](#), and industry analysts have warned it risks unsettling markets.

7. SPOTLIGHT ON REOPENING: RECENT SURGE IN COVID-19 CASES, UNITED STATES VS. CANADA



The United States has been battling to flatten the coronavirus cases curve since the pandemic's outbreak in this country in March. According to Johns Hopkins University [data](#), as of 18 November, the US has had about 11.6 million confirmed COVID-19 cases and more than 250,000 related deaths. Recently, the country has seen a further [rise](#) in the number of cases in every single state, and continues to [break](#) its prior pandemic records – the country [recorded](#) more than 148,000 new cases at the beginning of the week in addition to a [record](#) high number of hospitalizations due to coronavirus complications.

While Canada has been [thought](#) to have fared [better](#) than the US in controlling the COVID-19 virus (due to its less densely populated cities when compared to the US, Canada's early success with mass testing and tracing, Canada's uniform lockdown rules and their wider acceptance, cautious easing of restrictions, etc.), the country is currently also seeing a surge in new infections. As of 18 November, the country has [recorded](#) approximately 311,109 cases and a little more than 11,000 deaths while also seeing a rise in the number of hospitalizations, leading to [concerns](#) about overwhelming its healthcare systems.



The impetus for this sharp spike in the number of COVID-19 cases in Canada is [speculated](#) to be due to the country's Thanksgiving celebrations in the month of October. These increases in cases have emerged in spite of the implementation (for the second time) of [restrictions](#) and lockdown procedures even before the holiday in many provinces. Of further concern is that the

country has recently seen a [decrease](#) in the availability of COVID-19 tests, meaning that the situation may actually be worse than what current data suggest.

This increase in the number of cases stemming from holiday gatherings is a [worrying](#) trend as Americans prepare to celebrate Thanksgiving next week. Dr. Anthony Fauci, the country's infectious disease expert, had [expressed](#) in early November that the US was "in for a whole lot of hurt," stressing that it was "not [in] a good situation... and could not be positioned more poorly" for the looming winter season. Similarly, Scott Gottlieb, former commissioner of the Food and Drug Administration (FDA), [commented](#) that Thanksgiving in the US would be an "inflection point of the coronavirus outbreak" leading to winter surges, potentially making December the "toughest month" for the country.

While many states in the US, including Michigan, Washington and California, have instituted strict [measures](#) to attempt to curb the spread of coronavirus infections by issuing mask mandates, restricting indoor dining in restaurants, closing or limiting in-person learning in educational institutions, suspending organized sports, and limiting social gatherings, it is yet to be seen if people will adhere to these rules and if the restrictions, unlike in Canada, will help limit the rise in the number of new COVID-19 cases as the holiday season begins. The [CDC urged Americans on Thursday not to travel for Thanksgiving](#)