

CED Public Policy Watch

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1. THE NUMBER OF AMERICANS APPLYIING FOR AND RECEIVING UNEMPLOYMENT ASSISTANCE MAY BE INCREASING

Even as last week’s monthly Employment Situation [Report](#) showed continued decline in the unemployment rate for August (measured by a survey during the week of August 12), dropping to 8.4 percent, claims for unemployment assistance remained historically elevated. Initial [claims](#) for unemployment insurance (UI) benefits have held steady over the past five weeks—averaging 850,000 new claims per week—while claims for Pandemic Unemployment Assistance (PUA) benefits have rapidly increased since early August to 839,000 claims in the week ending September 5. The number of Americans estimated to be receiving a federal unemployment benefit (up to 29 million “continuing claims”) has increased over the past two weeks to its highest level since July. The time series of data has been confused by the buckling of some state UI systems under the strain, but the continuing high level of new claims is not encouraging. A possible explanation is that small and medium-sized businesses are gradually being drained of cash and forced into bankruptcy or downsizing, gradually sending their employees into unemployment.

2. SENATE REPUBLICANS UNVEIL “SKIINNY” COVID-19 RELIEF—COMPROMISE DOUBTFUL

On Thursday, the Senate [failed](#) to overcome a filibuster to consider the Republican “skinny” COVID-19 relief bill. The roll call was 52-47 (60 being needed to terminate debate and move to a vote on the legislation); one Republican (Senator Rand Paul of Kentucky) broke party ranks. This new Republican proposal, which was unveiled Tuesday, included broad liability protections as well as an estimated \$500-\$700 billion in additional spending, including:

- A \$300 per week extension of expanded unemployment insurance benefits through the end of the year (to replace the \$600 per week benefit approved in the CARES Act that expired in July)
- \$257 billion for small business aid in the form of a more targeted, second round of forgivable loans under the Paycheck Protection Program
- \$105 billion in additional funding for schools and universities
- \$31 billion in additional funding for coronavirus testing, therapeutics and vaccines
- \$20 billion in farm relief
- \$15 billion for child-care providers
- Expanded tax credits and deductions for costs related to private or home schooling

It was considered noteworthy that the Senate previously had a \$1 trillion proposal on the table against the House's \$3 trillion, but the Senate chose to vote on a bill that moved further away from the House rather than splitting the difference. The bill is intended to pressure Democrats into reducing their demands, demonstrate Republican unity around some relief proposal, and cast Democrats as blocking relief aid (by showing that Republicans have a proposal that can get 50 Republican votes in the Senate) when Congress adjourns for recess in a few weeks.

The Democrats had passed their \$3 trillion relief proposal through the House back in May. House Democratic leadership has suggested that the Senate compromise on at least \$2.2 trillion in additional aid—including more generous unemployment benefits and more funding for state and local government (including schools), testing, and elections. Democrats are likely to oppose requests for broad liability protections.

3. **"CLEAN" CR EXPECTED TO AVERT A GOVERNMENT SHUTDOWN IN OCTOBER**

Congressional leaders and the White House have all [signaled](#) a willingness to advance a continuing resolution, free of politically controversial measures, to fund the government at current levels until after the election. However, the precise duration of the CR remains at issue; among the alternatives would be a mid-November expiration, a post-Thanksgiving bill, or extending all the way into the new year and the next Congress (which will be seated after January 3, which falls on a Sunday in 2021). It is probably likely that a continuing series of punts will end somewhere in the next year.

4. **ASTRAZENECA-OXFORD VACCINE TRIAL PAUSED**

The Phase 3 trial of the COVID-19 vaccine created by researchers at the University of Oxford, in England, in partnership with the pharmaceutical firm AstraZeneca, has been [put on pause](#) after a volunteer participant contracted an unexpected disease. Such pauses are described by experts as unusual but not rare. This vaccine still may achieve success.

The trial population was not yet up to full size, but exceeded 10,000. Thus, the chances that someone among the population could have contracted a disease totally unrelated to the vaccine, either before or after the trial began, are not trivial. Clinical trials, particularly the large Phase 3 trials, involve large

populations as a necessary precaution. Approved vaccines are typically administered to very large populations, and so adverse effects even among proportionately small population groups could result in large numbers of complications. In the instance of COVID-19, this is particularly true, because the target group for this vaccine is virtually the entire population of the earth. (In contrast, vaccines for already known diseases, say measles, are administered each year to roughly one birth year cohort of children.)

There is no official announcement of the disease that the subject contracted, but reports have indicated that it is transverse myelitis, which is an inflammation of the spinal cord that can be caused by a virus. Experts remain optimistic, but have noted that the distinctive spike protein on the surface of the coronavirus that causes COVID-19 could be the source of this problem, which would complicate the vaccine effort. The AstraZeneca/Oxford trial had already been paused once because of neurological problems on the part of one participant, but the trial was restarted after its review board determined that the issue was unrelated to the vaccine.

5. SPUTNIK V RUSSIAN VACCINE IN PHASE 3 TRIALS

Meanwhile, the Russian Sputnik V coronavirus vaccine is in its own Phase 3 [trials](#), while it is simultaneously being administered to selected segments of the Russian population. Earlier phases of the trials of the vaccine were conducted on members of the Russian military; the Phase 3 trial subjects include volunteers from the rank and file of the population.

6. CORONAVIRUS AND SCHOOLS REOPENING

Numerous issues have been [reported](#) with coronavirus and the reopening of in-person college classes. The close proximities of students in dormitories, plus their tendency to ignore social distancing and mask requirements, have caused “super-spreader” conditions. Meanwhile, large numbers of cases have [occurred](#) among children in Florida, which has pushed strongly for early resumption of in-person education.

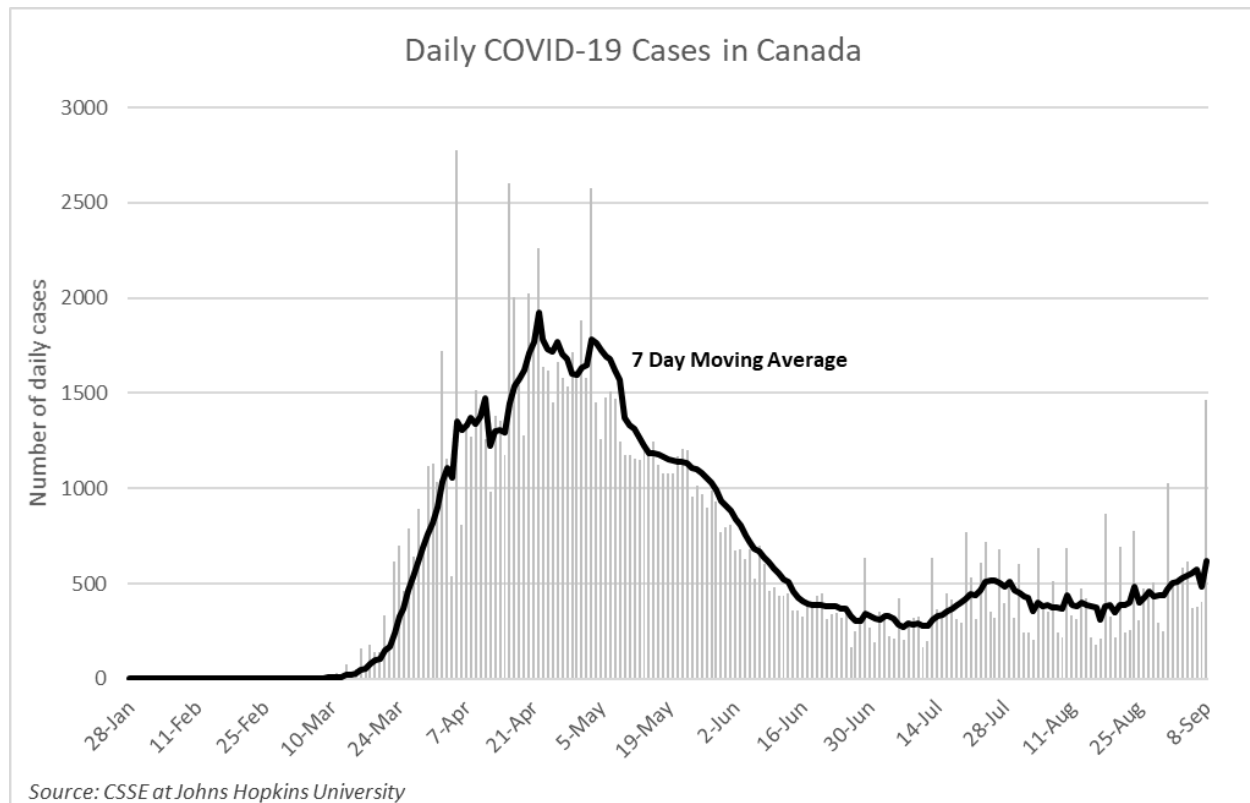
7. NYC: LETTER TO MAYOR BILL DE BLASIO FROM NYC BUSINESS LEADERS

On Thursday, more than 160 business leaders from multiple industries and all five boroughs sent the following letter to Mayor Bill de Blasio, pledging their commitment to the city and asking that action be taken on public safety and other quality of life issues that jeopardize economic recovery. [Full letter](#)

8. GLOBAL SPOTLIGHT ON REOPENING: CANADA

Canada’s first case of the novel coronavirus was confirmed on 27 January, and as of 8 September, the country has [recorded](#) approximately 133,748 cases and a little more than 9,000 deaths; and has reportedly tested about 5,891,121 people. In April, the Canadian government released a technical [brief](#) (with an [update](#) in July) that included a “stronger epidemic control” modelled scenario (where a high

degree of physical distancing is maintained, a high percentage of contacting tracing and isolating is done, and about 1% to 10% of the population becomes infected) that predicted between 11,000 and 22,000 deaths in the country over the course of the pandemic.



All of Canada's provinces and two of its three territories have confirmed cases of the COVID-19 virus, with Ontario and Quebec (the two most populous provinces), being the most affected. While all cases were linked to recent travels until the beginning of March, Canada [announced](#) evidence of community spread on 16 March, leading the country to declare a state of emergency. Provinces and territories began closing schools and non-essential businesses, establishing limits on social gatherings, and imposing restrictions on travel. Grocery stores and pharmacies remained open but implemented strong social distancing rules, and many stores closed to walk-in customers as the early stages of the pandemic saw a lot of "panic buying" by consumers. Although businesses began reopening in the following months, social distancing [measures](#) have stayed in place and policies have been [established](#) to prevent a second wave of the pandemic. Schools have also begun reopening – the province of Quebec has called for mandatory in-person attendance, [leading](#) many families to opt to home school their children rather than sending them to school.

While Canada eventually restricted its borders and barred travelers from all countries (with a few exceptions), the country's delay in closing its borders was called by some public health experts a "[missed](#)

[opportunity](#),” blaming this lag for the rapid rise in COVID-19 cases and the ultimately necessary shutdown of the country’s economy.

Canada’s economy, like those of most other countries, has been severely impacted by the pandemic. This led to the introduction of several temporary [social security](#) and [financial aid](#) programs by the Government of Canada. An initial \$82 billion (3 percent of Canada’s GDP) COVID-19 Emergency Response Act was [announced](#) by Prime Minister Justin Trudeau by mid-March. A rise in unemployment levels (the unemployment rate in May 2020 was 13.5 percent, the highest in Canada since 1976) brought about by social distancing measures that “froze” the economy and caused companies to begin looking at mass layoffs – leading to the [announcement](#) of the Canada Emergency Wage Subsidy (CEWS), a federal government program created to provide businesses with a 75 percent (of the first \$58,700) subsidy on employee wages for twelve weeks. CEWS was part of the government’s COVID-19 Emergency Response Act, No. 2 to [help](#) businesses rehire laid-off workers.

In terms of controlling the COVID-19 virus, Canada seems to have fared better than the neighboring United States. According to an [article](#) published in the *Washington Post*, when compared to Canada, the US has reported more than three times as many COVID-19 cases per capita and about two times as many related deaths. The US - Canada border (with mutual agreement) was closed in March to help curb the spread of the coronavirus, and so far, there is no specified date for its reopening. However, the flow of essential goods and services across the border has remained unaffected. The article points to the US’s more densely populated cities, Canada’s early success with mass testing and tracing, Canada’s wide acceptance of its uniform lockdown rules and cautious easing of restrictions, and the countries’ differences in political leadership as some of the reasons for the differences in the pandemic situation in the two countries.