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1. IMMIGRATION: TRUMP ADMINISTRATION RELEASES PROCLAMATION

On June 22, President Trump issued a Proclamation Suspending Entry of Aliens Who Present a Risk to the U.S. Labor Market Following the Coronavirus Outbreak. The June 22 proclamation extends an earlier proclamation issued in April “pausing” the issuance of certain immigrant visas through the end of the year and expands the scope of the suspension to now cover many categories of non-immigrant (i.e. temporary) visas. The Administration’s proclamation is framed as reducing competition between native and foreign-born workers over jobs at a time of high unemployment. Generally, most foreign workers already in the US are not immediately affected, but many seeking to come to the US will be prevented or delayed.

The Trump Administration estimated that the proclamation will result in 525,000 American jobs saved or created. Analysis by the Migration Policy Institute estimates based on the order that up to 219,000 temporary immigrant workers will be prevented from coming to the US. Although the press reported that foreign students might be affected, the Optional Practical Training (OPT) visa—which allows foreign students to work and acquire experience in their field of training during and/or for a limited period after completing US studies—was not restricted by the new proclamation.
The announcement provoked consternation from many business leaders, particularly in the tech industry including Telsa/Space X, Microsoft, Amazon, Alphabet. Chamber of Commerce CEO Donohue also released a statement.

In response to the Administration’s order, CED President Lori Murray released a statement re-iterating CED’s support for immigration. For more detail on the Administration’s Proclamation, see CED Issue Explainer.

2. CONGRESS

Police Reform Bill Stalemated

The House passed its police reform bill on Thursday with only three Republicans — Reps. Will Hurd (Tex.), the lone black GOP House member; Brian Fitzpatrick (Pa.), and Fred Upton (Mich.) — breaking ranks and joining Democrats in backing the House bill. But in the Senate the narrower Senate Republican proposal hit a procedural roadblock Wednesday when Senate Democrats opposed it, leaving Congress at a standstill on an issue.

House Introduces Infrastructure Bill

U.S. House of Representatives Democrats unveiled last Thursday a $1.5 trillion infrastructure bill that they will seek to pass in coming weeks, arguing it has been made more urgent by the coronavirus pandemic. The legislation would spur construction or improvements of roads, bridges, ports, clean energy, schools and other projects that experts say have long been neglected. It comes at a time when the United States is in desperate need of new jobs amid an economic downturn sparked by the coronavirus.

3. THE FEDERAL RESERVE: BANKS HEALTHY ENOUGH TO WITHSTAND COVID-19

The Federal Reserve on Thursday said the results of its annual bank stress tests indicate that a prolonged economic downturn could saddle the nation’s biggest banks with up to $700 billion in losses on soured loans and ordered them to cap dividends and suspend share buybacks to conserve funds.

Designed to gauge the health of the nation’s banking system, the stress tests were expanded this year to study the effect of the downturn brought on by the coronavirus pandemic. The Fed said U.S. banks are strong enough to withstand the crisis and restricted dividend payouts and buybacks to make sure they stay that way.
4. COVID-19 TRENDS: CASES UP, DEATH RATE FLAT

On Wednesday, the US set a record for the most new reported COVID-19 cases nationwide in a single day. The nation has begun to consistently match numbers last seen back in April. However, many of the new cases are concentrated in states that were less badly affected in the spring. Seven states—Arizona, California, Florida, Missouri, Mississippi, Nevada and South Carolina—have reported record high numbers of new cases over the past week, and California, Oklahoma and Texas have each reported single-day highs. Three states—California, Florida, and Texas—are averaging more than 5,000 new cases per day. Overall, 29 states have seen an increasing number of cases over the past two weeks.

Despite the rapid increase in new COVID-19 cases, the daily number of deaths has remained flat at roughly 600 per day, though progress in reducing that number has halted. It is not yet clear if deaths have not, or not yet, significantly increased with the growth in new cases because of time lags between when someone is infected and when they suffer serious complications, a change in the composition of who is infected (such as more younger adults less likely to die from COVID-19), improvements in diagnosis and treatment, or some other cause.

5. STATE UPDATES: REOPENING

Texas

Describing a “massive outbreak of COVID-19 across the state of Texas,” Governor Greg Abbott announced a pause in the state’s reopening plans due to increasing COVID-19 caseloads and hospitalizations. No businesses currently operating will be required to close but hospitals in areas that include Austin, Dallas, Houston and San Antonio will no longer permit elective surgeries in order to preserve capacity. In Houston, some hospitals have begun to treat some intensive care patients in beds not normally part of the ICU as a capacity preserving measure.

A number of states—including Kansas, Louisiana, Oregon, Nevada, North Carolina, and Utah—have announced delays or pauses in plans to reopen due to recent trends in the spread of the virus. North Carolina also announced a statewide mandate for wearing masks in public places where distancing is not possible, becoming, by one count, the 18th state to do so.

New York/NYC
As of Wednesday, New York, New Jersey and Connecticut are requiring all individuals traveling from states with significant COVID-19 outbreaks to quarantine for at least 14 days after entering their states. The requirement will likely be difficult to enforce but will result in fines for people who are caught violating the policy.

New York City has announced plans to move to “phase-three reopening” within two weeks, allowing for indoor dining, spas, and a few other activities under certain public health restrictions. New York City is the last part of the state to enter phase three. Summer day camps will be allowed to open statewide beginning next week.

NYC also announced that it was cancelling the NYC marathon which would have celebrated its 50th anniversary in November. It attracted more than 50,000 runners, 10,000 volunteers and roughly a million fans, who line nearly every accessible yard of the 26.2-mile course through the five boroughs.

6. VACCINES/TESTING/TREATMENTS

**Testing: Fauci Looking Closely at Moving to Pool Testing**

In an interview with the Washington Post, Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, said that health officials are having “intense discussions” about what’s known as “pool testing.” The idea is that by testing samples from many people all together, officials could test more people with fewer resources. And those who are infected could be more quickly found and isolated. “Something’s not working,” Fauci said of the current approach. “I mean, you can do all the diagramming you want, but something is not working.”

**Federal Government to End Support of Drive-Through Testing**

The Trump administration will end federal funding for 13 community-based drive-through coronavirus testing sites by the end of June. The administration say that the change is part of a previously announced plan to extend financial support for Covid-19 testing across the nation by other means, and that they will increase both the numbers and quality of testing. Of the 13 sites, seven are in Texas, which has seen a surge of Covid-19 cases. The six other affected sites are located in Illinois, New Jersey, Colorado and Pennsylvania. Senators Ted Cruz and John Cornyn of Texas both expressed unhappiness over the move.

**Contact Tracing Programs**
New York City’s attempt at managing the coronavirus pandemic via contact tracing has gotten off to a rocky start, according to the *New York Times*. NYC Mayor Bill de Blasio announced that the city would be entering its next phase of reopening—making the contact tracing program absolutely essential to help control the spread of the virus.

While NYC has previously succeeded in carrying out similar programs to manage diseases such as measles and TB, an outbreak of this high pandemic level seems to have proven contact tracing difficult to implement. According to the article, even with the hiring of about 3,000 “disease detectives and case monitors,” half of whom live in hard-hit (predominately Black and Hispanic) communities, the program has experienced low rates of response—leaving the city unable to track infected people. The lack of experienced “tracers” (the program was shifted away from the Department of Health which handled previous tracing programs), the public’s unwillingness to share personal information, and the use of low-tech methods such as questionnaires and phone calls have been some of the reasons cited for the program’s limitations.

Other US states have also begun trying to implement contact tracing programs to help curb the spread of the coronavirus, but are facing possible shortage of necessary funds—which has led to shortages in staffing, training, and scale of implementation. Unlike many countries which have launched contact tracing apps, various US states are still using phones to try to contact potentially infected people. Those states such as North and South Dakota that have tried to make use of apps have run into privacy policy violations—damaging confidence in such technology.

**Vaccines: Sanofi Accelerates Timeline for Clinical Trials**

French drugmaker Sanofi, which is partnered with GlaxoSmithKline (GSK), announced that it will accelerate its timeline for chemical trials of a vaccine. A combined Phase I and Phase II trial, previously planned for December of 2020, would be moved up to September. The move could possibly bring a regulatory approval forward to the first half of 2021, rather than the previously planned approval in the second half of 2021. Their model is a so-called recombinant vaccine, which would synthesize the coronavirus’s spike protein, which the virus uses to obtain entry to host cells. The vaccine would also use a proprietary GSK “adjuvant” compound to enhance the human body’s immune response to a coronavirus infection.

Additional vaccine progress has been ascribed to AstraZeneca (which has partnered with Oxford, among others), Inovio, and Novavax.

**Treatments: Trials Begin for Inhaled Version of Remdesivir**
Gilead Sciences announced plans for clinical trials of an inhalable version of its anti-viral drug remdesivir. Remdesivir had been developed but never deployed in the search for a cure for the Ebola virus, and thus illustrated the risky nature of research on antivirals. When Ebola faded out, remdesivir had no clear use, but it resurfaced when its properties seemed to fit the characteristics of the current coronavirus. Remdesivir has been found to shorten infections and their required hospital stays in moderate cases of the disease, although it has not demonstrated either reductions of mortality or benefit in severe cases. (Meanwhile, the steroid dexamethasone was found to reduce mortality in severe cases, but to have no benefit in moderate cases. This contrast illustrates the figurative sorting through of the medicine cabinets of drug developers for therapeutics that may have use in the fight against the “novel” new coronavirus.) Remdesivir has hitherto required intravenous administration, so the inhalable version would clearly be much easier to use. The trials are expected to begin in August.

7. UNEMPLOYMENT: CLAIMS REMAIN HISTORICALLY ELEVATED OVER THREE MONTHS INTO CRISIS

New unemployment benefit claims in the week of June 20 were roughly flat with the prior week, marking 14 straight weeks of historically high claims. Roughly 1.5 million Americans filed new Unemployment Insurance (UI) claims and 728,000 filed Pandemic Unemployment Assistance (PUA, for unemployed or idled workers ineligible for traditional UI claims) in the third week of June. Initial claims can overstate the number of people eligible for benefits, because claimants may file duplicate claims or claims in multiple states, or may need to file a claim to prove ineligibility for UI before being eligible for some other benefit. However, the elevated volume of unemployment benefit claims also likely reflects many workers being newly furloughed or laid off.

In early June, roughly 30.5 million Americans were receiving some form of unemployment benefits, a level roughly equivalent to one-fifth of all the non-farm workers who were employed in February. The number of Americans receiving some form of unemployment benefit increased between the week of May 30 and the week of June 6.
8. MEASURING THE ECONOMIC RECOVERY

Next Thursday, the Bureau of Labor Statistics will release its estimate of the unemployment rate as of mid-June. But as more states move to relax restrictions on economic activity and others deal with increasing spread of COVID-19, many economists and policymakers are trying to parse real-time economic data for a quicker sense of how things may be changing. For example, some commonly cited sources include:

**Restaurant data:** OpenTable, an online/app reservation service, has made certain city, state, and country-level data, based on a sample of approximately 20,000 restaurants, publicly available to help track trends in restaurant dining during the pandemic. Over the past week, restaurants in aggregate — including those that remain closed — are seeing an average of a 60 percent drop-off in diners from last year during the same period. However, roughly 40 percent of restaurants are still not taking reservations. When limited only to those restaurants that have re-opened, restaurants are currently serving about 65 percent of the number of customers as they served at this time last year.

Comparisons between states can help determine the degree to which consumer behavior was driven by changes in policy, which in some areas has limited which restaurants can be open and how many customers can be served, versus changes in consumer attitudes themselves. Regardless of the timing of shutdown orders in different states, in-restaurant dining declined...
fairly uniformly in the month of March. The timing of the relaxation of dining restrictions and local conditions has likely affected the pace of recovery in different states, but almost every state is still doing less than fifty percent of their seated business as compared to last year (although some portion of that business has likely switched to take-out).

Air travel and hotel data: TSA reports the daily number of air passengers passing through security. Roughly 79 percent fewer air passengers traveled last week than over the same period a year prior. For the month of June, through Wednesday, the total number of travelers remains roughly 82 percent lower on average.

Data analytics firm STR has been releasing weekly information on US hotel performance. The data show that while hotel occupancy rates hovered around 60 percent on average nationally
at the end of February, they declined to closer to 20 percent by the end of March. As of mid-June, occupancy rates have recovered to roughly 44 percent. However, revenue per room remains roughly 60 percent below the comparable level from a year earlier.

The Conference Board, **COVID-19 slump in retail and recreation traffic has long tail, creating drag on recovery** (See PPW 6.19) Using GPS data from cellphones TCB analysis shows that government-mandated restrictions on physical movement at the height of the COVID-19 pandemic caused a steep decline in trips to retail stores and recreation venues of between 40 to 90 percent.

9. **SPOTLIGHT ON REOPENING: JAPAN**

As of 23 June, Japan has confirmed a total of 17,879 cases of the novel coronavirus and 965 related deaths. Even with the **world’s oldest population**, the country’s COVID-19 related death rate per capita is one of the lowest in comparison to other hard-hit developed countries. Experts have attributed the low death rates to (among other things) Japan’s cultural habits such as the greeting etiquette (bowing rather than shaking hands or other physical touching) and **wearing** face masks, probable relative immunity due to the **mandatory** BCG tuberculosis vaccine, and a **possible** protective genetic trait or a milder strain of the virus. Japan has, however, faced **criticism** from several health professionals for under-testing for the virus which eventually led to the country broadening its testing parameters.
Japan confirmed its first case of the coronavirus in mid-January via a patient with travel history to Wuhan in China, which resulted in several infections across the country before the virus virtually disappeared in March. This was then followed by a cluster of cases that were introduced by travelers from the United States and certain European countries through the end of March. According to Japan’s National Institute of Infectious Diseases (NIID), most of the COVID-19 cases that have subsequently spread in the country have originated from the European strain of the virus while those of the East Asian strain have been declining since March – leading to the belief that the pandemic in Japan can largely be divided into two waves based on the genome sequencing of the virus.

To mitigate the virus outbreak, a “national task force” was established to aid in overseeing Japan’s response on 30 January. By the end of February, Prime Minister Shinzo Abe asked all schools – primary, secondary and high school – to temporarily close, in addition to recommending a short-term closure of entertainment venues, sport centers, etc.. Towards the end of March, the Japanese government and the International Olympic Committee announced the postponement of the 2020 Olympics until the next year, without ruling out complete cancellation. The Prime Minister declared a month-long state of emergency (while adding that these measures were unlike the lockdowns imposed in other countries), for the capital city Tokyo and its surrounding areas (representing about half of Japan’s economy) in the beginning of April. This was then then expanded to the rest of the country on 16 April. By mid-May, the
Japanese government lifted the state of emergency declaration in most prefectures, and then further extended the reduction to the entire nation on 25 May, allowing the economy to resume. Schools began opening in early June along with non-essential businesses which had closed; and on 19 June, Japan released a coronavirus contact tracing app using Bluetooth technology that would alert a registered user if they have been in close contact with another user who tested positive.

The pandemic has had a major impact on Japan’s economy, especially the tourism industry. While domestic travel has started to normalize, Japan's borders remain closed to international travelers, with no signs of opening up anytime soon. The retail, cosmetics, and tourism sectors have reported decreased sales, and manufacturers have highlighted disruptions to supply chains. The Prime Minister is said to have considered using emergency funds to alleviate the virus’ impact on these sectors (almost half of which is by Chinese citizens – who have reported facing discrimination). While authorities warn that Japan’s economy continues to remain in a critical condition, they have renewed their evaluation of the recession, stating that it is closer to “bottoming out” after the country’s reopening following the lifting of the nationwide state of emergency.