A Realistic Blueprint for Reopening the Economy by Sector while Ramping Up Testing

With a quarter of the American economy at a standstill, more than 26 million unemployment claims filed in just few short weeks, and a historic near $3 trillion in response and relief programs already seen as inadequate for the economic pandemic COVID-19 has unleashed, the President unveiled “Guidelines—Opening Up America Again,” a three-phased approach to reopen the economy, moving away from a strategy of mitigation to targeting the infected and getting America back to work.

The Guidelines appropriately do not open the economy all at once. They set out benchmarks for progression to phases of reopening to protect lives, get people back to work and recognize and protect the most vulnerable. Uncertainty about the disease is considerable, and above all any approach must be adaptable to new information. However, granting that uncertainty, the Guidelines do have several significant shortcomings that can and must be addressed expeditiously. America is going back to work. It must be done safely. And it can be done safely even with today’s limited testing capacity by pacing the reopening to the testing capacity.

In a modified approach, our nation’s leaders on the federal, state and local levels must work urgently with business leaders to ensure that reopening does not cause a resurgence of the pandemic, which would have debilitating effects on American lives and set the economic recovery back even further. A modified approach would also allow time to ramp up our public health capacity to contend with the probability of a second wave. Such an approach would:

1. Increase leadership by the federal government, particularly in coordinating the healthcare infrastructure including testing equipment and assessments, contact tracing personnel, hospital capacity, and funding and development of treatments and vaccines.
2. Increase testing metric requirements and clear and transparent reporting to include a percentage of the population that has been infected, and increase testing capabilities to include reliable serology (antibody) tests and sufficient capacity for point of care testing.

3. Strengthen guidelines for governors on opening businesses with a targeted sector approach appropriate for each state and local region, under conditions that can provide safety with current limited testing capacity.

4. Strengthen and enhance guidelines for employers as they work to develop their plans on how to open their businesses and assure the safety of their employees.

5. Support and strengthen our most vulnerable communities which are taking the brunt of this economic and health crisis.

As America gets back to work, while COVID-19 still threatens our health and well-being, the overriding principles for reopening the economy—which is much harder than turning the economy off—must be: the health and safety of American workers; protection of the most vulnerable citizens and frontline workers; the smart easing of regulatory requirements and “Manhattan Project” scale financial support of innovation in the pursuit of treatments and a vaccine. Adhering to these principles will ensure that we responsibly and safely return to an economy that provides high levels of employment, production and consumption.

REQUIREMENTS FOR REOPENING

1. Federal Government Leadership

The Guidelines for Opening Up America Again present three phases for states to reopen their economies and for employers to reopen their businesses. The key elements of the Guidelines put the States’ responsibilities front and center:

- The States have core preparedness responsibilities—including testing and contact tracing; hospital capacity; and planning for the health and safety of workers and to mitigate any rebound contagion. The States’ testing provides the “gateway” metrics to determine when it is appropriate to move from one phase to the next, or back again if necessary. States and localities must confirm 1) a two-week downward trend in coronavirus and flu symptoms; 2) a similar downward trend in documented cases and positive tests as a percentage of total tests; and 3) that hospitals have adequate capacity and robust testing in place for at-risk healthcare workers before starting to ease lockdowns.

- Employers are responsible to collaborate and coordinate with Federal, state and local officials; to develop and implement workplace policies including testing, isolating and contact tracing in all three phases; and to protect vulnerable populations.

- Individuals have the responsibility to continue to practice good hygiene and to stay home if they feel sick.
One of the central concerns about the Guidelines is that they will not reopen the economy without putting more lives at risk unless the federal government plays a greater leadership role than it has thus far or than the Guidelines themselves articulate. Under the Guidelines, the states and employers are each responsible for testing and safety measures. Consequently the states will not only compete with each other, but also with private businesses to acquire personal protective equipment, tests and testing equipment, cleansing materials, and other needs. The resulting price inflation, acquisition chaos and opportunities for fraud and abuse, particularly in fraudulent testing devices, will escalate unless the federal government plays a stronger coordinating role for the supply chain and its distribution. Greater use of the Defense Production Act may be the only recourse.

Increased trained public health personnel to implement testing and contact tracing, as well as increased funding for the states—particularly for increased hospital capacity (including for deferred non-COVID-19 treatments) and implementation of the testing guidelines—are also critical.

Sufficient funding for a wide range of potential testing methods, treatments and vaccines—at a Manhattan Project scale—and immediate, on-going, smart regulatory relief are essential. We need innovation to quickly and safely find treatments and a vaccine, and also reliable testing capacity for both the disease and its antibodies. Treatments are likely to be as important as a vaccine in dampening the threat, as we have seen in the battle against HIV-AIDS. A reliable cure would allow people to go back to work without fear even before a vaccine is available.

2. Testing Metrics/Capabilities

Under the Guidelines’ “Testing and Contact Tracing,” the states are required to set up testing facilities for both COVID symptomatic and syndromic/ILI (influenza) individuals, and to do contact tracing for all COVID positive results. Further, states are to ensure that “sentinel surveillance sites” that serve older individuals, low-income Americans, minorities and Native Americans test these groups for asymptomatic COVID cases and follow up with contact tracing where test results are positive.

Other than this symptomatic/syndromic testing and the testing of specified groups, there are no further stated required testing protocols.

First and foremost, beyond what is specified in the Guidelines, the capacity for point of care testing needs to be rapidly increased, and reliable tests for antibodies from prior exposure (known as “serology tests”) need to be developed and deployed. That will take increased federal funding and a coordinated federal strategy with all the key stakeholders to promote innovation and ensure an adequate supply chain.

One major omission in the federal gating criteria is a metric for the percentage of the population that has been infected and clear, transparent reporting. Higher rates of infection indicate a greater presence of the virus in the community and raise the likelihood of still further spread, which must be taken into account in deciding whether to reopen a given state or local economy. The federal Guidelines defer to the states and are not specific regarding what determines when or whether a local area can open. The confusion that results can be seen already as some states and localities are opening quickly and haphazardly.
“Guidelines—Opening Up America Again” calls on state and local officials to apply the recommendations, particularly the gating requirements, to local criteria to reopen geographic units below the state level. To do so in an orderly and consistent manner with the goal of identifying areas for reopening, governors should determine classifications, not only for the state itself, but for each county, city, town, or any other political subdivision (herein called a Defined Area) based on the testing metrics, including the additional metric of the percentage of the population that has been infected—which is omitted from the federal Guidelines. The initial classification may indicate that some Defined Areas qualify for increased economic activity immediately, and should be the first to reopen, while others should stay in lockdown and can only relax restrictions safely after conditions improve.

3. Guidelines for Governors for Opening the Economy Safely by Sector

The States are at the epicenter of governance and management of the fight against this pandemic to get America back to work. The central shortcoming of the Guidelines, as governors, mayors, business leaders and public officials have emphasized, is that they will not succeed without a robust capacity and capability to safely and rapidly test, diagnose, treat, and isolate COVID-19 cases and trace their contacts, at scale—which the US does not currently possess. Under the following alternative approach, the economy can start reopening safely at the pace allowed by its current testing capacity while ramping up its testing and tracing capabilities for more extensive reopening as soon as safely possible.

Given the shortfall of testing and public health capacity (and the lack of treatments and a vaccine), a more realistic approach for state governors would be to carefully scale the opening of the economy by sector in keeping with the public health infrastructure’s capacity to test, track and isolate. This process demands close cooperation and collaboration between business leaders and state governors to phase reopenings and determine appropriate health protocols. Until treatments or a vaccine is available, the businesses that governors should reopen first would be:

- sectors that meet a gradual, broadening definition of “essential,” expanded beyond security and safety, based on, for example, the sector’s importance to the economy;
- businesses most able to effectively implement social distancing in the workplace—given warming weather, this could include construction, other outdoor industries, and a federal and state infrastructure program, that could help put Americans back to work; and
- those that can most effectively operate remotely with a limited physical presence in the workplace.

Under this approach, the sectors that closed first, because they were hotbeds for the spread of the virus, should be among the last to reopen. Food services and drinking places, sports stadiums, museums, movie theaters, spas, gyms, vacation and hotel locations—places of social gathering and entertainment—should be the last to reopen, assuming that they are confined to their pre COVID-19 business models.
But as other sectors open, demand for services such as food and drink will also increase. That demand should initially be met under alternative business models where takeout and catering services would expand before physical spaces open to the public. Similarly, in entertainment and sports, the National Basketball Association (NBA) idea of restarting games to virtual audiences, or drive-in theaters reopening, are examples of altered business models that can follow CDC guidelines for employees and customers more manageably. In each of these examples, maintaining the health and safety of the employees is far more realistic. As testing capabilities ramp up, smaller gathering places first, and then the larger gathering places could be allowed to open if they can demonstrate that they can provide the appropriate social distancing, sanitation, and a screening method to make sure patrons and employees are safe.

Schools should also remain closed physically but open virtually at least until the fall term, although childcare and youth centers, vital to America’s ability to go back to work, could gradually reopen under CDC guidelines to accommodate parents who must go back to work.

And, as underscored in the Administration’s Guidelines, those businesses that can continue to work and function remotely should continue to do so, with as small a physical presence as possible, throughout the phased reopening. Every avoided commute reduces the number of personal contacts, which reduces the number of infections, makes social distancing more feasible, and permits the concentration of scarce testing resources on people who must return to work physically because remote work is impossible for them.

As the nation works to control the pandemic, this proposed approach would include:

- federal government relief that would narrow its target to those individuals and companies that remain adversely affected by COVID-19 as the economy opens by sector;
- accelerated efforts on innovation for vaccines and treatments; and
- expanded access to broadband on a national and state coordinated level, as the economy and education continue to rely on technology.

4. Guidelines for Employers on Reopening Businesses

The Administration’s Guidelines (which leave employers responsible for collaborating and coordinating with Federal, state and local officials, for developing and implementing appropriate workplace policies including testing, isolating and contact tracing in all three phases, and for protecting vulnerable populations) are heading toward a “learn as you go” process which could prove disastrous for health and safety. The federal government, beyond acquiring PPEs and distributing testing kits and related equipment, must provide clearer guidelines which the states can manage and employers can use as guidance for the development and implementation of their plans.
The White House Guidelines call on businesses to develop and implement appropriate policies, in accordance with federal, state and local regulations and guidance informed by business best practices regarding monitoring the workforce for indicative systems; temperature checks; social distancing at work; workforce contact tracing; protective equipment, cleaning protocols, and procedures for handling employees who become sick at work.

Clearer federal, state and local regulations and guidance would allow businesses to develop their plans with the best advice from public health experts and to reopen with greater confidence that they will not be held liable for any unfortunate outcomes that may occur despite their best efforts to maintain a safe workplace environment. Ideally, government could soon develop comprehensive safe harbors, adaptable to firms in different industries, that establish standards for conscientious businesses to safeguard their employees and customers and thereby receive a rebuttable presumption against liability for events that are truly beyond their control. The federal government, either through the White House Task Force or the appropriate federal agency, can serve as a clearinghouse for these best practices.

Employers are the sentinels for tracking and tracing the spread of the disease in the workplace and preventing a widespread recurrence. While testing and health care capacity are ramping up to be available on a large scale and before a vaccine or treatment is available, employers must continue to protect the most vulnerable, while ensuring that those who return to the workplace are healthy and not compromising the health and safety of their fellow workers or the larger community.

5. Strengthening our Most Vulnerable Communities

The pandemic has highlighted that vulnerable members of our communities at the lower end of the economic spectrum, and the institutions that serve them, bear a disproportionate health and economic burden. Economic recovery policies must be sensitive to the needs of these communities and ensure that the many small and minority-owned businesses that have not received funding under the CARES Act receive relief. And health institutions serving diverse populations must urgently receive the critical further federal financial support they need.

Americans have proven over these recent weeks that citizens in a democracy can effectively and responsibly respond to a pandemic threat. We can likewise effectively and responsibly reopen our economy as we race to develop effective treatments or a vaccine, and strengthen our public health infrastructure and health care system. To achieve these objectives, the US must apply a wartime approach to the economy, with stronger federal, state and private sector leadership that matches its testing capabilities to its workforce capacity, to gradually achieve a peacetime, post-COVID-19 economy, where true and comprehensive fiscal responsibility must follow.
SUSTAINING CAPITALISM

Achieving prosperity for all Americans could not be more urgent. Although the United States remains the most prosperous nation on earth, millions of our citizens are losing faith in the American dream of upward mobility, and in American-style capitalism itself. This crisis of confidence has widened the divide afflicting American politics and cries out for reasoned solutions in the nation’s interest to provide prosperity for all Americans and make capitalism sustainable for generations to come. In 1942, the founders of the Committee for Economic Development (CED), our nation’s leading CEOs, took on the immense challenge of creating a rules-based post-war economic order. Their leadership and selfless efforts helped give the United States and the world the Marshall Plan, the Bretton Woods Agreement, and the Employment Act of 1946. The challenges to our economic principles and democratic institutions now are equally important. So, in the spirit of its founding, CED, the public policy center of The Conference Board, will release a series of 2020 Solutions Briefs. These briefs will address today’s critical issues, including health care, the future of work, education, technology and innovation, regulation, China and trade, infrastructure, inequality, and taxation.