

March 13, 2020

President Declares National Emergency Over Coronavirus--Outlines Assistance for Testing and for Small Business Loans

The President announced a national emergency declaration today which would invoke the Stafford Act to allow states to receive \$50 billion of additional funding for their state declared emergencies. He also allowed states to utilize their own tests and testing, speeding up the testing process. The first such waiver was for the state of New York.

Also last night he released details of the Small Business Loan program that will be available for companies and not for profits impacted by the pandemic. In particular the small business loans may be a bridge for companies devastated by the impact of the virus to get by.

Separately he announced an indefinite waiver for interest on student loans to the government and directed the Department of Energy to purchase American oil for the Strategic Petroleum Reserve. Apparently 77 million more barrels could be purchased. We will keep you apprised as more details become available on those two initiatives.

Best, Denise

**PRESIDENTIAL MESSAGE DECLARING NATIONAL
EMERGENCY**

Related Practices

COVID-19 Resource Center
Michael Best Strategies LLC

“Pursuant to section 201 of the National Emergencies Act (50 U.S.C. 1621), I hereby report that I have exercised my authority to declare that the outbreak of coronavirus disease (COVID-19) in the United States constitutes a national emergency. This declaration invokes section 1135 of the Social Security Act, 42 U.S.C. 1320b–5, to allow the Secretary of Health and Human Services to exercise the authority under that section to temporarily waive or modify certain requirements of the Medicare, Medicaid, and State Children's Health Insurance programs and of the Health Insurance Portability and Accountability Act Privacy Rule throughout the duration of the public health emergency declared in response to the COVID-19 outbreak. PRESIDENTIAL MESSAGE HERE

PRESIDENT DIRECTS FEMA SUPPORT IN THE EMERGENCY

President Trump declared a nationwide emergency pursuant to Sec. 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the “Stafford Act”). This increases federal support to the Department of Health and Human Services (HHS) in its role as the lead federal agency for the ongoing COVID-19 pandemic response. As a result of the President’s decisive, unprecedented action, FEMA is directed to assist state, local, tribal, territorial governments and other eligible entities with the health and safety actions they take on behalf of the American public. Today’s declaration does not make direct financial assistance available to individuals. PRESIDENTIAL PROCLAMATION HERE

The emergency declaration does not change measures authorized under other federal statutes and HHS remains the lead federal agency directing the federal response to COVID-19. FEMA actions will be in support of HHS and in coordination with state, tribal and territorial governments. Eligible emergency protective measures taken at the direction or guidance of public health officials in response to this emergency, and not supported by the authorities of another federal agency, will be reimbursed strictly under the FEMA Public Assistance program. FEMA assistance will be provided at a 75 percent Federal cost share . Reimbursable activities typically include emergency protective measures such as the activation of State Emergency Operations Centers, National Guard costs, law enforcement and other measures necessary to protect public health and safety .

PRESIDENTIAL MEMO ON EXPANDING STATE-APPROVED DIAGNOSTIC TESTS

“By the authority vested in me as President by the Constitution and the laws of the United States of America, it is hereby ordered as follows: It is the policy of the United States to take proactive measures to prepare for and respond to public health threats, including the public health emergency involving Coronavirus Disease 2019 (COVID-19), which was declared by the Secretary of Health and Human Services (the “Secretary”) on January 31, 2020, pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d). Our response must include heightened coordination among Federal, State, local, and tribal agencies, and we must offer States the flexibility they need to care for their citizens. In accordance

with this principle, the Food and Drug Administration, in coordination with the State of New York, allowed the State flexibility in expediting State-approved COVID-19 testing. Should additional States request flexibility to authorize laboratories within the State to develop and perform tests used to detect COVID-19, the Secretary shall take appropriate action, consistent with law, to facilitate the request.” FULL MEMORANDUM HERE

INFORMATION FROM THE SMALL BUSINESS ADMINISTRATION ON 3.12 ANNOUNCEMENT OF AID

SBA Administrator Jovita Carranza statement:

“Our Agency will work directly with state Governors to provide targeted, low-interest disaster recovery loans to small businesses that have been severely impacted by the situation. Additionally, the SBA continues to assist small businesses with counseling and navigating their own preparedness plans through our network of 68 District Offices and numerous Resource Partners located around the country. The SBA will continue to provide every small business with the most effective and customer-focused response possible during these times of uncertainty.”

SBA’s Economic Injury Disaster Loans offer up to \$2 million in assistance for a small business. These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

Process for Accessing SBA’s (COVID-19) Disaster Relief Lending

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19). Upon a request received from a state’s or territory’s Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA’s Office of Disaster Assistance will coordinate with the state’s or territory’s Governor to submit the request for Economic Injury Disaster Loan assistance.

- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.
- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.
- SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

For additional information, please contact the SBA disaster assistance customer service center. Call 1-800-659-2955 (TTY: 1-800-877-8339) or e-mail disastercustomerservice@sba.gov(link sends e-mail) .

Related People

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