

April 09, 2020

## **New CISA Essential Business Guidance for Exposed Workers; Fed Reserve Issues Relief; Administration Looking at Calls for Expensing**

**Interim Guidance for Critical Infrastructure Workers Who MAY HAVE BEEN EXPOSED to COVID-19**

Please find below an important update from the Centers for Disease Control and Prevention (CDC) and the Cybersecurity and Infrastructure Security Agency (CISA) regarding the continued health, safety, and protection of Essential Critical Infrastructure Workers who may have been exposed to COVID-19. These two important informational products include Interim Guidance for Implementing Safety Practices for Critical Infrastructure Workers Who May Have Had Exposure to a Person with Suspected or Confirmed COVID-19 and a quick reference of the Do's and Don'ts for employers and employees related to COVID-19 exposures.

While the Interim Guidance specifically calls attention to critical infrastructure workers serving in the specific capacities and functions, as below, the guidance can apply to all critical infrastructure workers with the exception of Healthcare Providers who are covered under separate guidance.

- Federal, state, & local law enforcement
- 911 call center employees
- Fusion Center employees

### **Related Practices**

COVID-19 Resource Center  
Michael Best Strategies LLC

- Hazardous material responders from the government and the private sector
- Janitorial staff and other custodial staff
- Workers – including contracted vendors – in food and agriculture, critical manufacturing, informational technology, transportation, energy and government facilities

Employers should implement the recommendations in the Interim Guidance for Businesses and Employers, to Plan and Respond to Coronavirus Disease 2019, to help prevent and slow the spread of COVID-19 in the workplace.

Please continue to monitor the CDC website for the most current medical guidance .

- [CDC\\_CISA\\_Flyer\\_Essential\\_Critical\\_Workers\\_Dos\\_and\\_Donts\\_COVID19.pdf](#)
- [CDC\\_CISA\\_Interim\\_Guidance\\_Critical\\_Workers\\_Safety\\_Practices\\_COVID19.pdf](#)

### **Federal Reserve Issues \$2 Trillion In New Relief**

The Federal Reserve on Thursday took additional actions to provide up to \$2.3 trillion in loans to support the economy. This funding will assist households and employers of all sizes and bolster the ability of state and local governments to deliver critical services during the coronavirus pandemic.

The Federal Reserve's role is guided by its mandate from Congress to promote maximum employment and stable prices, along with its responsibilities to promote the stability of the financial system. In support of these goals, the Federal Reserve is using its full range of authorities to provide powerful support for the flow of credit in the economy.

The actions the Federal Reserve is taking today to support employers of all sizes and communities across the country will:

- Bolster the effectiveness of the Small Business Administration's Paycheck Protection Program (PPP) by supplying liquidity to participating financial institutions through term financing backed by PPP loans to small businesses. The PPP provides loans to small businesses so that they can keep their workers on the payroll. The Paycheck Protection Program Liquidity Facility (PPPLF) will extend credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value;
- Ensure credit flows to small and mid-sized businesses with the purchase of up to \$600 billion in loans through the Main Street Lending Program. The Department of the Treasury, using funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) will provide \$75 billion in equity to the facility;

- Increase the flow of credit to households and businesses through capital markets, by expanding the size and scope of the Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF) as well as the Term Asset-Backed Securities Loan Facility (TALF). These three programs will now support up to \$850 billion in credit backed by \$85 billion in credit protection provided by the Treasury; and
- Help state and local governments manage cash flow stresses caused by the coronavirus pandemic by establishing a Municipal Liquidity Facility that will offer up to \$500 billion in lending to states and municipalities. The Treasury will provide \$35 billion of credit protection to the Federal Reserve for the Municipal Liquidity Facility using funds appropriated by the CARES Act.

The Main Street Lending Program will enhance support for small and mid-sized businesses that were in good financial standing before the crisis by offering 4-year loans to companies employing up to 10,000 workers or with revenues of less than \$2.5 billion. Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. Banks will retain a 5 percent share, selling the remaining 95 percent to the Main Street facility, which will purchase up to \$600 billion of loans. Firms seeking Main Street loans must commit to make reasonable efforts to maintain payroll and retain workers. Borrowers must also follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act. Firms that have taken advantage of the PPP may also take out Main Street loans.

The Federal Reserve and the Treasury recognize that businesses vary widely in their financing needs, particularly at this time, and, as the program is being finalized, will continue to seek input from lenders, borrowers, and other stakeholders to make sure the program supports the economy as effectively and efficiently as possible while also safeguarding taxpayer funds. Comments may be sent to the feedback form until April 16.

To support further credit flow to households and businesses, the Federal Reserve will broaden the range of assets that are eligible collateral for TALF. As detailed in an updated term sheet, TALF-eligible collateral will now include the triple-A rated tranches of both outstanding commercial mortgage-backed securities and newly issued collateralized loan obligations. The size of the facility will remain \$100 billion, and TALF will continue to support the issuance of asset-backed securities that fund a wide range of lending, including student loans, auto loans, and credit card loans.

The Municipal Liquidity Facility will help state and local governments better manage cash flow pressures in order to continue to serve households and businesses in their communities. The facility will purchase up to \$500 billion of short term notes directly from U.S. states (including the District of Columbia), U.S. counties with a population of at least two million residents, and U.S. cities with a population of at least one million residents. Eligible state-level issuers may use the proceeds to support additional counties and cities. In addition to the actions described above, the Federal Reserve will continue to closely monitor conditions in the primary and secondary markets for municipal securities and will evaluate whether additional measures are needed to support the flow of credit and liquidity to state and local governments.

All of the facilities mentioned above are established by the Federal Reserve under the authority of Section 13(3) of the Federal Reserve Act, with approval of the Treasury Secretary.

The Federal Reserve remains committed to using its full range of tools to support the flow of credit to households and businesses to counter the economic impact of the coronavirus pandemic and promote a swift recovery once the disruptions abate.

For media inquiries, call 202-452-2955

- [Term Sheet: Term Asset-Backed Securities Loan Facility \(PDF\)](#)
- [Term Sheet: Secondary Market Corporate Credit Facility \(PDF\)](#)
- [Term Sheet: Municipal Liquidity Facility \(PDF\)](#)
- [Term Sheet: Main Street Expanded Loan Facility \(PDF\)](#)
- [Term Sheet: Primary Market Corporate Credit Facility \(PDF\)](#)
- [Term Sheet: Paycheck Protection Program Lending Facility \(PDF\)](#)
- [Term Sheet: Main Street New Loan Facility \(PDF\)](#)

#### Related Content

- [Board Votes](#)
- [Term Asset-Backed Securities Loan Facility](#)
- [Primary Market Corporate Credit Facility](#)
- [Second Market Corporate Credit Facility](#)

Last Update: April 09, 2020

### **Trump Administration Exploring Providing Coronavirus Tests for U.S. Food Plants**

The Trump administration is weighing a plan to provide coronavirus tests and other solutions to U.S. food-processing plants, as a way to soothe workers' fears and keep the country's food system functioning through the pandemic.

The federal Covid-19 task force headed by Vice President Mike Pence this week discussed the prospect with meatpackers and food producers, according to people involved in the talks. The task force is looking to the U.S. Department of Agriculture to work out details of what such a plan could look like, at the agency's discretion, an administration official said. A USDA spokeswoman had no comment on details of the potential plan. But a Trump administration official confirmed the talks. "They are working on a solution with the plants that not only makes the plants happy but the workers comfortable to come in," the official said. Asked if tests are part of the considerations, the official said, "100%."

Food producers are struggling as a rising number of processing-plant employees contract the coronavirus, and more stay home rather than risk catching it in the close quarters that are typical in plants. Over the past week meat processors JBS USA Holdings Inc., Tyson Foods Inc., Cargill Inc. and Smithfield Foods temporarily closed plants in Pennsylvania, Iowa and South Dakota after employees came down with Covid-19 or displayed symptoms. Other plants have slowed processing operations.

Those shutdowns and slowdowns are seeding fears of a broader disruption hitting the U.S. food industry, after shoppers in recent weeks cleared out staples from supermarkets in anticipation of weeks or months of eating at home. Domestic supplies of meat and other food commodities have been high heading into the pandemic.

The U.S. government has called on major food processors to continue operating. Mr. Pence this week spoke to executives of U.S. meat and grain companies including Tyson and Hormel Foods Corp., he said at a briefing Tuesday. Mr. Pence said in the briefing that food-industry workers are vital as the U.S. navigates the pandemic: "We need you to continue, as a part of what we call our critical infrastructure, to show up and do your job and know that we're going to continue to work tirelessly in working with all of your companies to make sure that that workplace is safe."

Being able to quickly test employees for the coronavirus, such as with Abbott Laboratories' new 15-minute test debuted last week, would help identify positive cases and assure other workers' safety, a meat industry official said. Dozens of meat-plant workers across the country have been confirmed to have contracted Covid-19, including two dozen employees of a Tyson pork plant in Iowa, the company has said, and more than 80 workers at a Smithfield Foods pork plant in Sioux Falls, S.D., according to state health officials. Kim Cordova, president of a United Food and Commercial Workers union representing workers at a JBS beef plant in Greeley, Colo., estimated around 50 cases among plant employees there. One worker died this week after being hospitalized due to the virus, she said. A spokesman for JBS, which has increased some safety and sanitation practices, had no immediate comment. The Retail, Wholesale and Department Store Union, which represents meatpacking workers, this week said that two Tyson employees at a Georgia plant had died after contracting the coronavirus. A Tyson spokesman said the company is working to keep its employees safe, separating processing-line workers with barriers, offering masks and installing infrared temperature scanners. Smithfield on Thursday said it would close its

Sioux Falls plant for three days for extra cleaning, but Chief Executive Kenneth Sullivan said in a statement that the company, the largest U.S. pork processor, needed to keep running its farms and plants. "People need to eat," he said.

To keep workers coming in, some food processors have temporarily boosted pay, while staggering shift start times and breaks so that large numbers of employees aren't gathering close together. Some plants have handed out masks, and erected barriers between each worker's spot on processing lines. Some workers have walked off the job and called on companies to do more or shut down plants temporarily to reduce the risk to workers.

As agricultural labor concerns mount, the State Department last month eased requirements on seasonal foreign-worker visas, after the agriculture industry warned that harvests could be disrupted if coronavirus-related curbs on immigration reduced the number of available workers.

### **Trump Administration Kudlow Advocates for Immediate Expensing**

President Donald Trump's top economic adviser said the U.S. should allow companies to deduct the entire cost of capital spending, including relocating from China, as the administration looks for ways to jump-start an economy hobbled by the coronavirus pandemic. "Plant, equipment, intellectual property, structures, renovations -- in other words, if we had 100% immediate expensing, we should literally pay the moving costs of American companies from China back to the U.S.," Larry Kudlow said.

Kudlow's proposal came in response to a question about how the U.S. can ween itself off its reliance on manufacturing in China. "I think 100% expensing would be a very good thing, and by the way, it would be a very good thing for American companies here at home," he said. The White House is weighing how to safely urge Americans to reopen the U.S. economy after another 6.61 million people applied for unemployment benefits last week. That brought the three-week total to about 16.8 million during the economic shutdown to fight the outbreak. The administration may create a new working group to focus on reviving the U.S. economy after the pandemic eases. Kudlow would likely be part of the panel, but he declined to elaborate on the plans. "Presently there's no formal structure, the president's seeking advice from everybody, inside and outside the government," he said.

## **CONGRESS**

Senate Fails to Pass Supplemental Appropriation for SBA Paycheck Protection Program

The Senate on Thursday blocked dueling plans to provide \$250 billion more dollars to help small businesses contend with the coronavirus-fueled economic meltdown amid a stalemate over the scope of the package. The President had requested the supplemental appropriation to fill up the SBA coffers to pay the loans applied for already. Senate Majority Leader Mitch McConnell (R-Ky.) accused Senate Democrats of holding Americans “as political hostages.” Maryland Sens. Ben Cardin (D) and Chris Van Hollen (D) fired back, accusing McConnell of trying to pull “a political stunt.”

Phase I Coronavirus Response and Supplemental Appropriation

Phase II Family First Coronavirus Response ACT .

Phase III CARES Act

- A section-by-section of the Coronavirus Aid, Relief, and Economic Security Act
- A summary of the emergency appropriations for coronavirus health response and agency operations
- A summary of the small business provisions
- Final Text of CARES ACT

The House adjourned until next Tuesday, March 31. Schedule still remains fluid but they will begin working on the framework for Phase 4. Reminder – the Senate is in recess until April 20.

### **Next Steps**

Congress is expected to convene after Easter to consider a Coronavirus Phase IV bill.

For additional information, [click here](#).

### **Related People**

#### **Denise Bode**

[dabode@michaelbeststrategies.com](mailto:dabode@michaelbeststrategies.com)

T 202.844.3804