



In classic Greek mythology, a golden apple of discord inscribed "For the fairest" was awarded to Aphrodite, beginning a chain of events that led to the Trojan War. GrayRobinson's newsletter reports on the most recent issues, individuals, and discourse deemed fairest in Washington.

April 24, 2020

Let the sunshine in

Buried in the coverage of [yesterday's White House Coronavirus Task Force briefing](#) was a nugget of real news: the Department of Homeland Security (DHS) shared preliminary findings of a study that seems to show the new coronavirus is particularly susceptible to direct sunlight, heat, and high humidity. Sunlight in 70-degree weather with high humidity seems to cut the half-life of the virus on nonporous surfaces to two minutes, and sunlight in 70-degree weather with low humidity cuts the virus's half-life in the air to about a minute and a half. This does not mean the virus won't spread in warmer climates — Singapore, for example, is dealing with a second outbreak now — but it does suggest that getting outside might be good for our health.

Congress passes, President signs “Phase 3.5” relief plan

This week the Senate and House approved the [Paycheck Protection Program and Health Care Enhancement Act](#), to provide approximately \$483 billion in additional relief to small businesses, funding for hospitals, and support for testing. President Trump signed the bill into law today, and it will take effect immediately. Major provisions of the new law include:

- \$310 billion to the [Paycheck Protection Program](#) (PPP), with \$30 billion of that allocated to financial institutions with less than \$50 billion in assets and \$30 billion allocated to institutions with less than \$10 billion in assets, community development financial institutions, and minority depository institutions
- \$10 billion in additional funding for the Small Business Administration's [Economic Injury Disaster Loan \(EIDL\)](#) program
- \$50 billion for additional SBA guarantees for disaster loans
- \$75 billion for hospitals and healthcare providers through the Public Health and Social Services Emergency Fund
- \$25 billion to support COVID-19 testing, including manufacturing, distribution, personal protective equipment (PPE), development, and surveillance and contact tracing

The Federal Reserve Board [announced today](#) that it is expanding access to its Paycheck Protection Program Liquidity Facility to include additional SBA-qualified lenders as quickly as possible.

Senate Democrats ask for investigation of PPP loan distribution

Yesterday Senate Minority Leader Chuck Schumer (D-NY), Senate Banking Committee ranking member Sherrod Brown (D-OH), and Senate Small Business Committee ranking member Ben Cardin (D-MD) [sent a letter](#) to the Inspector General of the Small Business Administration asking him to investigate claims that Paycheck Protection Program lenders prioritized larger, wealthier clients over the small businesses the program was meant to serve. The senators cited news reports that larger companies received “concierge-type services” in applying for these loans, while smaller retail customers “struggled to receive timely assistance from their banks.” The senators also asked the IG to recommend changes by May 8 to SBA’s rules, policies, and procedures that might help small businesses get the money they need.

IRS releases state-by-state summaries of economic impact payments

The Internal Revenue Service and the Department of the Treasury announced this afternoon that the federal government made more than 88 million direct payments to Americans last week, for a total of almost \$158 billion. A state-by-state summary of where those payments went is online [here](#). The IRS expects to issue more than 150 million payments; those expecting payments who haven’t received them can check their status through the IRS’s [Get My Payment portal](#).

FHFA clarifies loan servicer obligations, status of loans in forbearance

The Federal Housing Finance Administration (FHFA) announced [much-anticipated guidance for mortgage servicers](#) on Tuesday, setting a four-month limit on servicers’ obligation to advance scheduled payments for single-family mortgage loans. FHFA Director Mark Calabria said this limit would allow mortgage servicers to plan, and provide stability and clarity to the GSE-backed housing finance market. FHFA also instructed Fannie Mae and Freddie Mac to keep loans in COVID-19 related forbearance plans in their mortgage backed security (MBS) pools for at least the duration of the forbearance plan.

SEC proposes new framework for fund valuation

The Securities and Exchange Commission (SEC) proposed a [new rule](#) this week that would create a framework for how to determine a fund’s fair value. The Investment Company Act of 1940 requires a fund’s board of directors to make a good faith determination of the fair value of securities and assets without readily available market quotations. The proposed rule confirms that the fund’s board can do this, but would also allow the board to assign this determination to the fund’s investment adviser, subject to oversight requirements. The proposal is open for comment until July 21.

Federal Reserve eases limits on transfers from savings

The Federal Reserve Board has made temporary changes to Regulation D that will suspend the six-per-month limit on transfers from savings to checking accounts. Under the [interim final rule](#), issued today but effective on publication in the Federal Register, financial institutions can immediately allow their customers to make unlimited transfers between savings accounts and transaction accounts. Since reserve requirement ratios have been lowered to zero, the Fed observed, the distinction between “transaction accounts” and non-reservable “savings deposits” is no longer relevant. The interim rule will be open for comment for 60 days.

Fed announces disclosure plans for relief programs

Yesterday the Federal Reserve Board announced plans to report monthly on how its various lending facilities are being used, and who the beneficiaries are. At least once every 30 days, the Fed will publish reports on its website listing the names and details of participants in each of its lending facilities; the amounts borrowed and interest rates charged; and the overall costs, revenues, and fees for each facility. The first of these reports are already online [here](#). In related news, the Fed [published data](#) yesterday showing a record \$6.57 trillion on its balance sheet.

- Our friend Billy Oorbeek, President of the respected and long-established fundraising and communications firm the Oorbeek Memmott Group, announced this week that he will leave the firm on July 1 to go into full-time ministry. His partner, Erin Memmott, will take over the firm.

Next Week in Washington

- The House and Senate remain in recess next week, though negotiations continue on Phase 4 of coronavirus relief legislation.

The Ellis Insight

Jim Ellis reports on political news

President

Florida: The Sunshine State of Florida is one of the country's quintessential swing states, and a new poll suggests that the voting entity is already in toss-up mode for the presidential race. St. Pete Polls conducted a statewide survey during the April 16-17 period (5,659 FL registered voters via automated response device) and found former Vice President Joe Biden and President Donald Trump in a virtual tie, 48-47%, with the edge going to the former.

St. Pete Polls does not have a particularly strong accuracy record — they rate a C+ from the FiveThirtyEight organization that rates all survey research firms — but considering the Florida political climate, the results appear reasonable. Chances are good that President Trump's standing is a bit better here, however. Over the past few elections the Republican candidates have under-pollled from 1-3 points, suggesting that such could well be the case again.

Mississippi Poll: Mississippi is a state that should be a lock for President Trump this November, but an early poll returns numbers that may indicate a bit of weakness on the Republican side. The survey, from Chism Strategies (4/8-9; 508 MS likely voters), finds President Trump securely in the lead with a 49-38% point spread, but that is significantly below his 2016 victory margin of 58-40%.

Republican candidates typically under-poll in the South as compared to their actual vote margins, so this could partially account for the Trump margin being lower than four years ago.

Washington Poll: While new data finds President Trump a bit below what he might expect to score in Mississippi, the same could be said for former Vice President Joe Biden in a newly released Washington State poll. EMC Research, though conducting the poll over the March 31 – April 6 period (473 WA registered voters), just yesterday made their results public. The data projects Mr. Biden to be holding a 52-39% advantage, slightly below what one might expect in a strongly Democratic state. In 2016, Hillary Clinton carried the state with a 53-37 victory percentage.

Mr. Biden under-performed here in the primary, just nipping Sen. Bernie Sanders (I-VT), 38-37%, even though all of the other major candidates had already exited the race. Though President Trump will not target Washington, the Biden primary performance and this first poll suggests slight political weakness on his part.

NBC/WSJ Poll: The new national NBC News/Wall Street Journal survey (4/13-15; 900 US registered voters) finds former Vice President Joe Biden leading President Trump by seven percentage points, 49-42%. Looking back to a commensurate time in 2016, according to the Real Clear Politics polling archives, the 4/10-14/16 NBC/Wall Street Journal poll during that period found former Secretary of State Hillary Clinton (D) leading candidate Donald Trump (R) by eleven percentage points, 50-39%.

It remains to be seen if the Trump polling pattern will resume the same trajectory that unfolded in 2016.

Polling Series: A series of pollsters conducted several recent surveys in some of President Trump's core and swing states. The just-published results suggest that all are turning former Vice President Joe Biden's way. Fox News, Ipsos, and Quinnipiac University were all in the field during the April 15-21 period, interviewing voters in Michigan, Pennsylvania, Wisconsin, and Florida.

The latter state, one of the most important for President Trump, finds him trailing Mr. Biden, 46-42%, according to Quinnipiac University. Mr. Biden leads in Michigan, Pennsylvania, and Wisconsin by eight (Michigan; both Fox News and Ipsos), eight and six (Pennsylvania; Fox News and Ipsos), and three (Wisconsin; Ipsos) percentage points.

The CNBC/Change Research survey (5/17-18; 5,787 likely voters from AZ, FL, MI, NC, PA, WI) sees a much different political landscape. Within their aggregate universe from within the six key swing states, President Trump would lead 48-47%.

Senate

Colorado: Colorado Democrats met in their virtual state convention and former state House Speaker Andrew Romanoff overwhelmingly won his ballot position against the field of candidates, capturing 86% of the delegates votes. Former Gov. John Hickenlooper, the favorite for the party nomination to oppose Sen. Cory Gardner (R), did not participate in the convention having already secured his ballot position through the petition signature process.

As we've seen in other states, a Colorado judge has awarded a US Senate candidate Democratic primary ballot position even though the petition signature requirement was not met. The judge ruled on a lawsuit against the state that candidate Michelle Ferrigno Warren, who collected approximately 5,400 of the 10,500 required signatures according to a Colorado Politics blog post, is granted a ballot position because, the judge said, she demonstrated sufficient voter support when considering the COVID-19 imposed stay-at-home and social distancing restrictions. The Colorado primary is June 30th.

Kentucky: The Kentucky Senate race, featuring the incumbent Majority Leader Mitch McConnell (R) and retired Marine Corps helicopter pilot and defeated congressional candidate Amy McGrath (D), will likely set a spending record for a state with only six congressional districts.

At this point, challenger McGrath has already spent over \$15 million (raised a whopping

\$29.9 million with \$14.8 million cash-on-hand). Sen. McConnell had spent over \$10 million at the March 31st financial reporting deadline (raised \$25.5 million; \$15 million remaining in account), meaning that the Kentucky race will reach California (53 congressional districts) spending levels.

Massachusetts: The Massachusetts Supreme Court ruled in favor of plaintiffs arguing that the state's ballot petition requirements are too high considering the COVID-19 precautions being in effect. The ruling greatly helps Sen. Ed Markey (D) because reports were indicating his campaign was lagging behind in even reaching the minimum number of 15,000 valid petition signatures. His Democratic primary opponent, Rep. Joseph P. Kennedy III (D-Newton), according to campaign spokespeople, has already submitted more than 30,000 signatures.

The new signature requirement assuredly means that the Senate primary will move forward and Sen. Markey will not be disqualified on a technicality.

Michigan: A new Fox News Michigan poll (4/18-21; 801 MI registered voters) finds Sen. Gary Peters (D) taking a major leap forward in his competitive battle with manufacturing company owner and retired Army Ranger John James (R), a race that had been polling close. The Fox Poll finds Sen. Peters expanding his single-digit lead to a full ten points, in a 46-36% margin.

New Jersey: A new Garden State poll from the Monmouth University Polling Institute (4/16-19; 704 NJ Adults; 635 NJ registered voters) finds no lasting political side effects from Sen. Cory Booker's failed run for the Democratic presidential nomination. In hypothetical general election matchups, Sen. Booker would lead Republican Rik Mehta, 55-32%, and enjoys an even larger 58-33% margin over GOP candidate Hirsh Singh. These numbers suggest the obvious, that Sen. Booker is safe for re-election.

House

FL-26: Though it is still only April, and with the candidate filing deadline still a couple of weeks away on May 1st for the August 25th primary, it appears Republicans have their consensus congressional nominee to challenge freshman Rep. Debbie Mucarsel-Powell (D-Miami).

Late this week, businesswoman Irina Vilarino announced that she is ending her congressional effort, meaning that Miami-Dade County Mayor Carlos Gimenez remains the only major candidate in the Republican primary. This, along with an already announced endorsement from President Trump, virtually clinches the party nomination for Mr. Gimenez and effectively allows the general election to begin early. The Mucarsel-Powell/Gimenez campaign will be highly competitive.

IA-4: State Sen. Randy Feenstra (R-Hull/Sioux County) has developed a large resource advantage over his Republican primary opponent, US Rep. Steve King (R-Kiron), and his edge is about to get sharper. The new FEC disclosure filings find Mr. Feenstra with a \$415,651 cash-on-hand reserve for the stretch drive to the June 2nd primary compared to Rep. King's \$26,773.

Overall, Sen. Feenstra has raised \$844,000 compared to Mr. King's \$301,000. Now the Main Street PAC has announced they are launching a \$100,000 get-out-the-vote effort to assist Mr. Feenstra even further.

MN-5: Attorney and former congressional aide Antone Melton-Meaux appears to be making some political moves to become a legitimate Democratic primary opponent for

controversial freshman Rep. Ilhan Omar (D-Minneapolis). Mr. Melton-Meaux is attacking Rep. Omar for not even visiting parts of her geographically small urban district, saying she is not as interested in representing her constituents as she is in promoting her own personal image and national political profile.

For his part, Mr. Melton-Meaux raised almost \$500,000 prior to the March 31st campaign finance deadline and showed just under \$200,000 cash-on-hand. Conversely, Rep. Omar has attracted almost \$3.9 million for the election cycle and has just over \$1.3 million remaining in her account.

The Minnesota primary is August 11th. Three other Democrats are also headed to the district nominating convention. It is unclear at this point just how many of the candidates will choose to force a primary after the convention concludes.

Governor/States

Georgia: Originally, the Peach State presidential primary was scheduled for March 24th as a stand-alone vote but then became united with the May 19th state primary as part of Georgia's Coronavirus precautions, and also because the Democratic race was virtually decided. Later, Secretary of State Brad Raffensperger (R), acting under an Emergency Order, moved the primary to June 9th, with any associated runoff election postponed to August 11th.

Now, a group of activists have filed a lawsuit asking that the election be moved to a date no earlier than June 30th, with the plaintiffs saying that it is not safe to hold the election any earlier.

Indiana: The Change Research organization conducted a rare poll of the Indiana electorate (4/10-13; 1,021 IN likely voters) and the results find first-term Gov. Eric Holcomb (R) in strong position against former Indiana Health Commissioner Woody Myers (D). The totals find Gov. Holcomb leading Mr. Myers, 45-25%, with Libertarian Donald Rainwater capturing 8% support.

Michigan: On the eve of the Michigan candidate filing deadline, a federal judge ruled in a favor of a Republican plaintiff who argued that the 1,000-person petition signature per congressional district requirement was too stringent when considering the state's Coronavirus precautions. The judge moved the filing deadline to May 8th and cut the congressional district signature requirement to 500 qualified voters. Immediately after the ruling became public, Gov. Gretchen Whitmer (D), Secretary of State Jocelyn Benson (D), and the state elections director appealed the decision.

Utah: We're soon going to learn much more about the Utah Governor's race. The Republicans are in their virtual convention as delegates are voting online for candidates running in various campaigns.

Under Utah nominating procedure, the parties meet in convention and send candidates to the ballot. If a candidate receives 60% of the delegate vote, he or she is the only candidate who will advance to the primary. If no one receives 60%, then the top two finishing candidates will qualify. The other way to gain primary ballot access is through the petition process, but candidates have the option of participating in both the convention and filing petition signatures.

Former Gov. Jon Huntsman, Lt. Gov. Spencer Cox, and ex-Utah Republican Party chairman Thomas Wright are the only candidates who are both gathering petition signatures and participating in the convention.

The remainder, businessman Jeff Burningham, ex-state House Speaker Greg Hughes, Salt Lake County Council chair Aimee Winder Newton, and conservative activist Jason Christensen are going through the convention process only, meaning many, if not all of these contenders, will be eliminated on Saturday. The online voting will continue through Saturday afternoon, with the results announced that evening.

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