



*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.*

June 19, 2020

Happy [Juneteenth](#)! On June 19, 1865, Union General Gordon Granger arrived in Galveston, Texas and informed the enslaved African Americans that the Civil War had ended, and that they were free. This momentous occasion has been celebrated as Juneteenth ("June" + "19th") for more than 150 years. Texas made it a state holiday in 1980, and now it's a holiday in 47 states and the District of Columbia as well — most recently in Virginia and New York, which created new paid state holidays this week. Bipartisan support to make it a federal holiday is growing, as Rep. Sheila Jackson Lee (D-TX) and Senator John Cornyn (R-TX) both announced legislation to do that this week.

### **Treasury, SBA publish simplified PPP loan forgiveness application**

In response to widespread criticism and concern about the complexity of applying for loan forgiveness under the Payment Protection Program (PPP), the Small Business Administration and Treasury unveiled a new [EZ application form](#) on Wednesday. The new form is only three pages long, compared to the original 11-page version, but legislators and small business advocates at a [House Small Business Committee hearing on Wednesday](#) said it still asks for a lot of documentation that will be difficult for small entrepreneurs to provide without the help of an accountant. Members on both sides of the aisle seemed open to granting automatic forgiveness to PPP loans below a certain size.

### **Fed launches Main Street Lending Facility, seeks comment on expanding to nonprofits**

The Federal Reserve Board opened its Main Street Lending Program on Monday, implementing a CARES Act provision to support loans to small and medium-sized businesses. The program backs loans of between \$250,000 and \$300 million to businesses with a minimum of 50 and a maximum of 15,000 employees. Also on Monday, the Fed asked for comment on a [proposal to make the Main Street Lending Program available to nonprofit organizations](#) of similar size. Under the proposal, qualifying nonprofits would have to be in operation for at least five years, and have endowments of no more than \$3 billion. Given the need to get this program up and running as quickly as possible, comments are due to the Fed next Monday, June 22.

### **SBA reopens disaster loan portal**

The Small Business Administration reopened its [Economic Injury Disaster Loan \(EIDL\) and EIDL Advance Loan portal](#) on Monday. Unlike the PPP, which are bank loans, the EIDL program offers long-term, low-interest loans to small businesses directly from the SBA. Under the CARES

Act, EIDL Advances provide emergency grants of up to \$10,000 (\$1,000 per employee) to small businesses that need urgent economic relief. Small businesses can use EIDL funds in conjunction with the PPP, to pay operating costs not covered by PPP loans.

### **Powell says state, local government cuts will drag down recovery**

Federal Reserve Board Chairman Jerome Powell reported on the nation's economy to the Senate Banking Committee and the House Financial Services Committee this week, and described the extensive emergency lending facilities set up to respond to the COVID-19 emergency. He reiterated that the Fed doesn't advise on fiscal policy, but said that Congress should consider additional direct payments to Americans in the hardest-hit sectors, and noted that reductions in state and local spending after the 2008 financial crisis extended that recession by months if not years.

### **Alexander calls for permanent Medicare changes to support telemedicine**

The COVID-19 shutdown has created an explosion in telehealth services, [witnesses told the Senate Health, Education, Labor & Pensions \(HELP\) Committee](#) on Wednesday, and many of those services will continue after the pandemic is over. Committee Chairman Lamar Alexander (R-TN) said that at least two of the 31 temporary changes to federal Medicare reimbursement standards should become permanent: the change to the "originating site" rule that allows physicians to be reimbursed for patient treatment no matter where the patient is, and the expansion of the range of telehealth services Medicaid and Medicare reimburse. Some insurance companies are already adjusting their own coverage standards to follow the federal changes.

### **Brown proposes new privacy legislation**

Senator Sherrod Brown (D-OH), ranking member of the Senate Banking Committee, [released draft language of a new privacy bill yesterday](#) that would set affirmative limits on the collection and use of personal information. The Data Accountability and Transparency Act of 2020 (DATA) would generally prohibit the collection, use, and sharing of personal data except where specifically allowed by law, and would ban the use of facial recognition technology. It would create a new independent agency to oversee the implementation of privacy laws, with rulemaking, supervisory, and enforcement authority, and would subject CEOs and directors to potential civil and criminal penalties for noncompliance. It would not preempt state privacy laws, but would allow state attorneys general to enforce the federal law.

### **Federal coordination, masks necessary for reviving air travel**

Stakeholders in the nation's air travel industry [told the House Homeland Security Subcommittee on Transportation & Maritime Security yesterday](#) that bringing passengers back to airports will require a coordinated federal response and a universal requirement that passengers wear masks in airports and on planes. All the major airlines now require passengers to wear masks, and airports have begun to make changes to improve sanitation and physical distancing. But the Transportation Security Agency, the Federal Aviation Administration, and Customs and Border Patrol need to lead the way with coordinated, consistent guidance for airports and airlines to implement nationwide, witnesses said, so that passengers feel safe. Witnesses also told the panel that airports and airlines will need financial assistance beyond September 30, when the federal relief package expires.

### **FHFA extends foreclosure and eviction moratorium to August 31**

The Federal Housing Finance Agency (FHFA) [announced on Wednesday](#) that Fannie Mae and Freddie Mac are extending their moratorium on single-family mortgage foreclosures and evictions through at least August 31. The original moratorium had been set to expire on June 30.

### **FHFA will re-propose servicer requirements**

Also this week, the FHFA announced that it will not finalize its January proposal on minimum financial eligibility requirements for Fannie Mae/Freddie Mac sellers and servicers. Instead, it

will reassess those requirements, incorporating lessons learned from the COVID-19 emergency, and will propose revised requirements at some future date.

### **CFPB launches Pilot Advisory Opinion program**

Under the Consumer Financial Protection Bureau's new [Pilot Advisory Opinion \(PAO\) program](#), financial service providers and consumers can ask the Bureau for advice about areas of regulatory uncertainty, and the Bureau will publish its responses to the questions it chooses to answer. The program's objectives are to provide timely and understandable information to consumers; to identify outdated, unnecessary, or unduly burdensome regulations; to make enforcement of federal consumer laws more consistent; and to make markets for consumer financial services more transparent and efficient. The CFPB is seeking comments on the program while the pilot is underway.

### **President signs new China sanctions into law**

The Uyghur Human Rights Policy Act of 2020 became law this week, authorizing the President to block transactions in property and interests in property in the United States or under the control of a US citizen if the owners are determined to be responsible for certain human rights abuses against Uyghurs and other predominately Muslim ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR) and elsewhere in China. The administration must identify those owners to Congress within 180 days, by December 14.

## Confirmations, Nominations, Departures, etc.

- Freshman **Rep. Denver Riggleman** (R-VA) lost a primary challenge to Bob Good, a Campbell County Supervisor and athletic official at Liberty University.
- The President announced his intention to nominate **Caroline Crenshaw** to the Democratic seat on the Securities and Exchange Commission currently held by Robert Jackson Jr., who is leaving next month to return to teaching. Crenshaw has served as senior counsel to Jackson since 2018, and was senior counsel to then-Commissioner Kara Stein before that.
- **Francis Brooke** has been named deputy director of the National Economic Council, succeeding Andrew Olmstead. Brooke, already a member of the NEC, previously worked for Vice President Mike Pence, and before that for Senator Mitch McConnell (R-KY) and Rep. Andy Barr (R-KY).

## Next Week in Washington

The House is scheduled to be in recess the week of June 29, so next week is a big push on several pieces of legislation, most notably the National Defense Authorization Act (NDAA) for 2021, which the House Armed Services Subcommittees will be marking up all week.

- **June 23 at 10:00 a.m.** Senate Committee on Health, Education, Labor & Pensions holds a hearing on "[COVID-19: Lessons Learned to Prepare for the Next Pandemic.](#)"
- **June 23 at 11:30 a.m.** House Science Subcommittee on Space and Aeronautics holds a hearing on "[R&D to Support Healthy Air Travel in the COVID-19 Era and Beyond.](#)"
- **June 23 at 2:30 p.m.** Senate Banking Committee holds a hearing on "[Oversight of the Export-Import Bank.](#)"

- **June 23 at 5:00 p.m.** The New York Regional Office of the Securities and Exchange Commission holds an [online educational town hall](#) about how to avoid scams related to COVID-19. All investors and financial planners are invited to participate.
- **June 25 at 12:00 noon** House Financial Services Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets holds a hearing on "[Capital Markets and Emergency Lending in the COVID-19 Era.](#)"
- **June 25 at 3:00 p.m.** Federal Reserve Bank of New York hosts the second of its online forums on economic inequality, "[An Update from the Experts on COVID-19's Impact on Housing.](#)" The event is free, open to the public, and on the record.
- **June 26 at 12:30 noon** House Financial Services Subcommittee on Housing, Community Development and Insurance holds a hearing on "[Insuring Against a Pandemic: Challenges and Solutions for Policyholders and Insurers.](#)"

## The Ellis Insight

Jim Ellis reports on political news

### President

**Joe Biden:** The Associated Press cited sources inside Democratic presidential nominee-designate Joe Biden's campaign that the Vice-Presidential running mate list has been narrowed to six individuals.

Sens. Elizabeth Warren (D-MA), Kamala Harris (D-CA), Gov. Michelle Lujan Grisham (D-NM), US Representative and former Orlando Police Chief Val Demings (D-FL), Atlanta Mayor Keisha Lance Bottoms, and former UN Ambassador Susan Rice comprise Mr. Biden's reported final list of potential running mates.

Long ago, the former Vice President said he would choose a female running mate. Absent from the list are Sen. Amy Klobuchar (D-MN) and Georgia gubernatorial nominee Stacey Abrams, who are eliminated. The campaign spokespeople indicate the choice will be made public on or slightly before August 1st.

**New Hampshire:** The Granite State's St. Anselm University, which conducts political polling, just completed an online survey of 1,072 registered voters during the June 13-16 period. The results find former Vice President Joe Biden leading President Trump, 49-42%. This tracks in the same average range as Hillary Clinton recorded during the commensurate period in 2016. In the end, however, New Hampshire's actual vote margin was one of the closest in the country, with Ms. Clinton carrying the state by only 2,736 votes.

### Senate

**Arizona:** The Civiqs polling organization, surveying for the Daily Kos Elections website (6/13-15; 1,368 AZ previously selected respondents from a larger sampling pool; online), again finds retired astronaut Mark Kelly (D) holding a substantial lead over appointed Sen. Martha McSally (R). The numbers break 51-42% in Kelly's favor, which is actually a slight improvement for McSally. This compares to the poll's 49-45% split for Joe Biden over President Trump, which is a more reasonable spread as compared to some recent surveys of the Arizona electorate.

**Colorado:** After the Colorado Ethics Commission found former Gov. John Hickenlooper (D) in violation of two ethics provisions during his tenure as the state's Governor, trends have taken a downturn in his US Senate campaign. Apparently, internal polling must be showing Mr. Hickenlooper falling into a close race for Tuesday's Democratic primary against former state House Speaker Andrew Romanoff.

The progressive left Senate Majority PAC just purchased a \$1 million media buy in order to improve Mr. Hickenlooper's image after the Ethics Commission ruling. Suddenly, what was a mundane primary affair coming this Tuesday is beginning to draw more attention.

**Georgia:** Public Policy Polling tested the Georgia electorate soon after the June 9th primary (6/12-13; 661 GA registered) that included four push questions designed to favor the Democratic position. The advocacy questions were ostensibly asked after the original ballot test query was posed. The results find new Democratic nominee Jon Ossoff pushing past Sen. David Perdue (R) by a slight 45-44% margin.

**Kentucky:** The Kentucky primary culminates next week on June 23rd, and Senate Democratic candidate Charles Booker, a Louisville state Representative, has just released an internal poll showing him doing much better than expected against presumptive nominee Amy McGrath.

According to Booker's YouGovBlue survey (6/8-12; 314 KY likely Democratic primary voters, or individuals who have already cast their ballot through the early voting system), Ms. McGrath, who has already raised an eye-popping \$41 million and spent half of that amount, leads her Democratic challenger by only a 49-39% margin.

A new Civiqs poll of the Kentucky electorate, polling for the Daily Kos Elections website (6/13-15; 898 KY registered voters), finds Senate Majority Leader Mitch McConnell (R-KY) opening up substantial leads over both of his potential general election opponents. This Civiqs poll produces even better numbers for Rep. Booker. The poll projects him now taking a 44-36% lead over Ms. McGrath. The Civiqs general election data is also unfavorable for McGrath. Looking at individual ballot test results, Sen. McConnell would destroy her 57-37%, while he leads Rep. Booker, 52-38%.

**New Mexico:** Public Policy Polling, surveying for the New Mexico Political Report (6/12-13; 740 NM registered voters) and this time using no push questions, finds Rep. Ben Ray Lujan (D-Nambe) establishing his expected strong lead over new Republican nominee Mark Ronchetti, a former Albuquerque television weatherman. The ballot test breaks 48-34% for Rep. Lujan, who was unopposed in the Democratic statewide primary held June 2nd. The November Senate winner succeeds retiring two-term incumbent Tom Udall (D).

## House

**Races Called:** After a week of counting mail and post-election ballots in Georgia and Nevada produced nomination winners.

In what will be a hotly contested open Atlanta suburban GA-7 race, another reversal from the original Associated Press projection has occurred. Now, 2018 Democratic nominee Carolyn Bourdeaux has been declared the outright winner, avoiding the runoff campaign to which she was originally headed. The latest returns push her well over 51%, enough to mathematically clinch victory.

Ms. Bourdeaux, who came within 420 votes of upsetting Rep. Rob Woodall (R-Lawrenceville) in 2018, will face Republican physician and retired Navy veteran Rich McCormick, who garnered more than 55% of the vote in last Tuesday's Republican primary. This will be a toss-up campaign in the Fall.

Continuing the post-election reporting pattern, the Associated Press has again reversed a projection after post-election ballots were received. Though declaring that Rep. David Scott (D-Atlanta) had been forced into an unlikely runoff election, additional votes pushed the Congressman's aggregate percentage over 51. The Congressman again becomes a lock to win a tenth term in the general election from this safely Democratic suburban district.

In Nevada, also from a June 9th primary contest, Republican former state Assemblyman Jim Marchant has been declared the winner over insurance agency owner Sam Peters by a 34-29% margin in the 4th Congressional District, a result where the totals remained close but did not fundamentally change as votes counting continued. Mr. Marchant will now



challenge Rep. Steven Horsford (D-Las Vegas) in a general election campaign that has the potential of becoming competitive. Rep. Horsford is favored, but the 4th CD, since its original inception in the 2011 redistricting plan, has yet to re-elect an incumbent Representative.

**KY-4:** Northern Kentucky Rep. Thomas Massie (R-Garrison/ Covington), who attracted headlines when he questioned the size of the Coronavirus bailout legislation and demanded a roll call vote in the House, appears to be headed for a landslide victory in his June 23rd re-nomination battle. According to a WPA Intelligence survey for the Club for Growth (6/10-11; 411 KY-4 likely Republican primary voters), the Congressman destroys GOP attorney Todd McMurtry 77-11%, even up from the 70-13% split the research organization found in late April.

**NY-16:** More evidence is coming from New York City that former middle school principal Jamaal Bowman is a serious Democratic primary threat to 16-term veteran Rep. Eliot Engel (D-Bronx). The pre-primary filing period that closed June 3rd shows Mr. Bowman actually bringing in more money than Rep. Engel during the period, \$431,000 to \$389,000. Congressman Engel, however, still dominates the cash-on-hand column \$826,000 to \$345,000.

In a Democratic primary race that is becoming more competitive every day, two familiar Democratic foes made recent endorsements and, not surprisingly, chose different sides. Former Secretary of State and 2016 presidential nominee Hillary Clinton yesterday announced her support for Rep. Engel, while Sen. Bernie Sanders (I-VT), as we know a two-time presidential candidate, publicly backs Mr. Bowman. The New York primary is next Tuesday, June 23rd.

Additionally, a new Data for Progress survey reveals a surprising result. The poll, conducted for the Bowman campaign (released 6/17; 525 NY-16 likely Democratic primary voters) gives the challenger a 41-31% lead over Rep. Engel, and a whopping 52-36% advantage when leaners are added. The Engel campaign spokesperson responded that the poll was flawed because it did not list the other two Democratic candidates in the primary race, while their own internal Global Strategy Group survey posts the Congressman to an eight-point lead. The Engel campaign, however, refused to make their poll public.

**NY-17:** Public Policy Polling, surveying for the Greenburgh Town Democratic Committee (6/15-16; 1,141 likely NY-17 Democratic primary voters via interactive response device) finds attorney Mondaire Jones taking the lead for Tuesday's open seat Democratic primary that features a field of eight Democratic candidates.

According to PPP, Mr. Jones takes 25% of the congressional primary vote followed by self-funding attorney Adam Schleifer and ex-Defense Department official Evelyn Farkas trailing with 14% apiece. Another poll's previous leader, state Sen. David Carlucci (D-New City/Ossining) drops to 11% support.

Last week's Data for Progress survey found Carlucci leading the pack with 15%, followed by Schleifer and Farkas at 13%, and Jones closely trailing with 12 percent. Tuesday promises to yield a close finish. The Democratic winner will become the prohibitive favorite to replace retiring Rep. Nita Lowey (D-Harrison) in the general election.

**PA-1:** Public Policy Polling surveyed Pennsylvania's swing 1st Congressional District (6/10-11; 753 PA-1 registered voters, half through live phone interviews and half through text messages to cell phones) in order to test two-term Rep. Brian Fitzpatrick (R-Levittown) and Ivyland Borough Councilmember Christina Finello (D). The poll comes after the June 2nd Pennsylvania primary that found Rep. Fitzpatrick scoring a disappointing 58% against a Republican opponent who exerted little in the way of campaign effort. The PPP result breaks 40-38% in Rep. Fitzpatrick's favor, not unlike his 51-49% re-election victory margin in 2018.

**VA-5:** Freshman Virginia Rep. Denver Riggleman (R-Manassas) was defeated for re-nomination last weekend, losing a unique “drive-through convention” that the 5th District Republican Party leaders contrived in response to COVID-19 precautions. In a mock convention nomination process that was conceived to favor him, even to the point of having the lone voting site at the candidate’s church, Campbell County Supervisor and Liberty University athletic official Bob Good won the party’s congressional nomination with a 58-42% margin among the 2,537 5th District GOP delegates casting their ballots. Mr. Riggleman is the third incumbent House member to lose re-nomination in this election cycle. He joins Reps. Dan Lipinski (D-IL) and Steve King (R-IA) as incumbents who failed to obtain their party’s backing for re-election.

## Governor

**New Hampshire:** We Ask America surveyed the New Hampshire electorate (6/13-15; 500 likely NH general election voters) and found two-term Gov. Chris Sununu (R) topping state Senate Majority Leader Dan Feltes (D-Concord) by a whopping 59-20% spread. Gov. Sununu also records an eye-popping 76:16% job approval ratio. New Hampshire, like neighboring Vermont, awards its Governor only two-year terms. Therefore, even though Mr. Sununu is seeking his third term, he is only coming to the end of his fourth year in office.

**Utah:** A For the first time since he announced his political comeback, former Governor and US Ambassador Jon Huntsman has established a lead in a Republican gubernatorial poll for the upcoming June 30th partisan primary. Dan Jones Associates, polling for the Salt Lake Chamber of Commerce (6/1-10; 555 UT likely Republican primary voters) finds Mr. Huntsman topping the GOP field with 35% preference, slightly ahead of Lt. Gov. Spencer Cox, who posts 33% support. Former Utah state House Speaker Greg Hughes and ex-Utah Republican Party chairman Thomas Wright follow well behind with 10 and 5 percent, respectively.

The June 30th primary promises to be close. Every other recent survey has projected Lt. Gov. Cox in first place. The Republican primary winner becomes the prohibitive favorite to replace retiring Gov. Gary Herbert (R) in November.

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