April 9, 2020

Today was a day for the record books. And not for any good reasons. Early this morning the Labor Department announced that 6.6 million Americans filed for jobless benefits last week. That brings the total number of Americans out of work to 16.5 million, which represents a staggering 10% of the U.S. labor force. At the same time, the U.S. Treasury and the Federal Reserve approved the establishment of a Main Street Business Lending Program to support the flow of credit to American workers and businesses impacted by the COVID-19 pandemic. Later in morning, Senate Majority Leader Mitch McConnell (R-Ky.) asked for unanimous consent to pass another $250 billion in small business lending. Less than 30 minutes later, Democrats blocked Senate Republicans’ efforts to increase small business lending, and Republicans blocked Democrats’ efforts to increase money to hospitals and state and local governments.

Here is more information on these developments as well as the latest from the states and Canada:

**Senate Fails to Deliver Additional Coronavirus Relief**

Senate Republicans had hoped to deliver $250 billion supplemental funds to the Paycheck Protection Program (PPP) today by unanimous consent, but were challenged by Senate Democrats who wanted to expand the program. The PPP provides partially forgivable loans to small businesses impacted by the COVID-19 pandemic. Though applications for the program opened less than a week ago, the small business response has been so great that the program is already running out of funds.

Both Republicans and Democrats agree that there is a need to appropriate additional funds to the small business program; however, Senate Democrats wanted to include additional funds for state and local governments in the interim package. Senate Majority Leader Mitch McConnell argued "There is no reason why this bipartisan job-saving program should be held hostage for other priorities. Let's re-fund the only program that's already running dry and keep moving forward together."

Since passage by unanimous consent requires no dissent from any member of the upper chamber, neither side was able to pass their proposal with each side blocking the other. Ultimately, the Senate adjourned and no roll call vote is likely to take place until April 20 at the earliest.

**U.S. Treasury and Federal Reserve Announces Main Street Business Lending Program**

AEM member companies who might not qualify for loans from the Small Business Administration under the recently established Paycheck Protection Program (PPP), could be
eligible for the Main Street Business Lending Program activated by U.S. Treasury Secretary Steve Mnuchin today.

In a press release announcing the new program, the U.S. Treasury and the Federal Reserve lay out “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 has also issued a fact sheet with additional information.

More details about this initiative are due to come online in the days ahead, and AEM staff will be proactively communicating those as they become available through the AEM COVID-19 resources website and a possible webinar.

**State Activities**

AEM has been monitoring activities taken by Governors as they continue to issue closure orders and other guidance, and we are in close contact with their staff to make the case that our industry should be deemed “essential.”

Notable for today’s update is that the Governor of Minnesota extended the duration of the previous stay at home order. The Governor of Michigan extended the duration of the previous stay at home order and placed limits on the number of people inside a retail store. The Governor of Nevada published additional safety protocols for businesses. The Governor of New Jersey issued new restrictions on construction projects and new safety protocols for all essential businesses. The Governor of New York issued updated guidance in defining essential businesses, and the Governor of Pennsylvania ordered certain manufacturing and health-care business to report the number of PPE they own.

The map below summarizes each state’s status. For all of the latest information, please visit our dedicated state by state tracker.

*Map as of April 8 (no new updates)*
Canada Activities
AEM is supporting member companies in Canada as they are navigating the COVID-19 pandemic, including ongoing engagement with federal and provincial lawmakers to make sure that our industry is deemed “essential.”

Today saw the release of Statistics Canada’s March unemployment data, which reported that the economy lost 1,011,000 jobs in March — the worst recorded single-month change — lifting the unemployment rate to 7.8 percent. The federal government also released their national modeling for the COVID-19 pandemic, following the leads of provinces such as Alberta, British Columbia, Ontario and Quebec. Negotiations continue between the government and opposition over when to call back Parliament to pass legislation implementing the Canada Emergency Wage Subsidy.

Premier Doug Ford announced today that the Ontario government has launched an Ontario Jobs and Recovery Committee, which will focus on the economic recovery efforts required after the COVID-19 pandemic is over.

We continue to update our resources on Canadian activities on AEM’s COVID-19 resources page. You can also click here for the latest updates from Ottawa and all the provinces.

Do you have questions or need to get a hold of AEM’s Advocacy Team? E-mail our Response Team at responseteam@aem.org with any questions or feedback.
As always, if you have any questions about AEM’s ongoing efforts, need assistance with a specific issue, or would like to share how the unfolding COVID-19 pandemic is impacting your business, please do not hesitate to reach out to me at keideberg@aem.org.

Best,
-Kip

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