Summer temperatures are climbing, as is Congress’s to-do list for the next few months. In addition to the expected consideration of appropriations bills and the National Defense Authorization Act (NDAA), congressional leaders are also looking to consider a highway funding bill and additional coronavirus relief legislation. White House economic adviser Kevin Hassett told the Wall Street Journal’s Paul Kiernan that a Phase Four deal is likely. Hassett said, “The odds of a Phase Four deal is something we talked with the president about last week. We even had a small group meeting this morning to talk about it. The odds of a Phase Four deal are very, very high.”

On that same note, U.S. Senators Chris Coons (D-Del.), Ben Cardin (D-Md.), and Jeanne Shaheen (D-N.H.) today released the text of the Prioritized Paycheck Protection Program (P4) Act. Their press release states the legislation “authorizes new lending under the Paycheck Protection Program (PPP) to small businesses with 100 employees or less, including sole proprietorships and self-employed individuals. Eligible businesses must have already expended an initial PPP loan or be on pace to exhaust the funding, and must demonstrate a revenue loss of 50 percent or more due to the COVID-19 pandemic.”

We are encouraged by both the optimism from the White House and the movement on Capitol Hill. We are hearing from member companies of all sizes and across segments how the COVID-19 pandemic will continue to impact their demand and their bottom lines.

AEM’s Advocacy team continues to work round the clock on behalf the association’s 1,000+ member companies as they navigate this unprecedented crisis. And that is why your feedback is important to us. We would like to know how the COVID-19 pandemic has impacted your organization, and how you think it will shape the next three to six months. We have extended the deadline for our CEO survey, allowing more members to offer their input. Click here to complete the survey.

Here are some of today’s other developments:

**Share Your Insight – Complete Our CEO Survey**

We recently deployed the second round of our CEO survey to help us better understand how the COVID-19 pandemic continues to impact member companies, identify the challenges facing executives, and understand the outlook for the next three to six months. We plan to share the
results soon and will provide an update on how we’re able to leverage them. Click here to complete the survey. Please don’t hesitate to email me if you have any questions.

MSLP Looks to Meet Needs of Small and Medium-Sized Businesses
With limited interest in the Main Street Lending Program (MSLP), the Federal Reserve announce Monday that it would be making changes to the program to encourage more small and medium-sized businesses to take advantage of the program. In general, the program decreased the minimum loan amount, increased the maximum loan size, extended the term of the loan by one year to five years, and deferred principal for an additional year for a total of two years. For more information, you can view the chart below provided in the Federal Reserve’s press release outlining the program changes.

<table>
<thead>
<tr>
<th>Main Street Lending Program Loan Options</th>
<th>New Loans</th>
<th>Priority Loans</th>
<th>Expanded Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>5 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(previously 4 years)</td>
<td></td>
<td></td>
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<tr>
<td>Minimum Loan Size</td>
<td>$250,000</td>
<td></td>
<td>$10M</td>
</tr>
<tr>
<td></td>
<td>(previously $500,000)</td>
<td></td>
<td></td>
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<tr>
<td>Maximum Loan Size</td>
<td>The lesser of $35M, or an amount that, when added to outstanding and undrawn available debt, does not exceed 4.0x adjusted EBITDA (previously $25M)</td>
<td>The lesser of $50M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA (previously $25M)</td>
<td>The lesser of $300M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA (previously $200M)</td>
</tr>
<tr>
<td>Risk Retention</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>(previously 13%)</td>
<td></td>
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<tr>
<td>Principal Repayment</td>
<td>Principal deferred for two years, years 3-5: 15%, 15%, 70% (previously principal deferred for one year and 33.33% repayment due in years 2-4)</td>
<td>Principal deferred for two years, years 3-5: 15%, 15%, 70%</td>
<td>Principal deferred for two years, years 3-5: 15%, 15%, 70% repayment due in years 2, 3, and 4, respectively</td>
</tr>
<tr>
<td>Interest Payments</td>
<td>Deferred for one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td>LIBOR + 3%</td>
<td></td>
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</tbody>
</table>
OSHA Issues Workplace Face Coverings Guidance and FAQ
The Occupational Safety and Health Administration issued new guidance for face coverings for the workplace. This guidance outlines the differences between cloth face coverings, surgical masks and respirators. It further reminds employers not to use surgical masks or cloth face coverings when respirators are needed. In addition, the guidance notes the need for social distancing measures, even when workers are wearing cloth face coverings, and it recommends following the Centers for Disease Control and Prevention’s guidance on washing face coverings.

These frequently asked questions and answers mark the latest guidance from OSHA addressing protective measures for workplaces during the coronavirus pandemic.

State Activities
AEM has been monitoring activities taken by Governors as they continue to issue closure and reopening orders. We are in close contact with their staff to make the case that our industry is establishing health and safety protocols to protect both employees and customers.

Notable for today’s update is that the Governors of Minnesota and New Jersey announced the resumption of limited operations for certain businesses in the coming days. The Governor of Washington published important guidance and information for businesses.

Now that state governments are transitioning into re-opening strategies, we are providing a new U.S. map showing when state shelter-in-place orders and stay-at-home advisories expire.
For all of the latest information, please visit our dedicated state by state tracker.

Canada Activities
The federal government has launched a new web hub to bring together available resources for organizations buying and selling personal protective equipment (PPE).

Today’s highlights from the provinces include:

- **Alberta**: The province has announced stage two of their relaunch strategy can safely begin on June 12, a week sooner than expected.
- **Ontario**: The province has announced its plan to reopen child care centres to support the next stage of the province’s reopening framework.

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

Kip Eideberg
Senior Vice President, Government & Industry Relations
Association of Equipment Manufacturers