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# Congressional & Administration News

**What to Know in Washington: Trump Threatens China Trade Deal**

Top Chinese and U.S. trade negotiators will speak as soon as next week on progress in implementing a phase-one deal after President Donald Trump threatened to “terminate” the agreement if Beijing doesn’t adhere to the terms.

Chinese Vice Premier Liu He will be on the call, according to people familiar with the matter. The U.S. will be represented by Robert Lighthizer, one of the people said.

The planned phone call will be the first time Liu and Lighthizer speak officially about the agreement since it was signed in January, just before the global coronavirus pandemic hit the world’s two biggest economies and upended global supply chains. The deal called for Liu and Lighthizer to meet every six months, making next week’s call slightly ahead of schedule.

Trump also seemed to suggest a development was on the horizon when he told reporters at the White House yesterday that he’d be able to report in the next week or two if he’s happy with how the trade deal is progressing.

On Sunday, in response to a question at a town hall from a business owner who said he was losing money on the tariffs, Trump noted that the duties prompted China to promise to buy $250 billion worth of U.S. goods. “Now they have to buy,” the president said. “And if they don’t buy, we’ll terminate the deal, very simple.”

Relations between the U.S. and China have deteriorated further since America became one of the countries hardest hit by the coronavirus. Trump has blamed China for misleading the world about the scale and risk of the disease, and even threatened more tariffs as punishment. China’s foreign ministry has in turn accused some U.S. officials of trying “to shift their own responsibility for their poor handling of the epidemic to others.”

**Pandemic’s Economic Toll Sparks Call in U.S. to Abolish WTO:** The World Trade Organization is coming under fresh criticism from Washington, this time from a Midwestern lawmaker who sees the coronavirus pandemic as an opportunity to rebuild America’s standing in the global economy. Sen. Josh Hawley (R-Mo.), writing in the New York Times op-ed page on Tuesday, called for the abolition of the WTO, blaming the Geneva-based arbiter of international commerce for overseeing a system that he argued has failed American workers. The U.S. needs to stop Chinese imperialism and renegotiate trade deals with allies, he wrote, saying that “abandoning the WTO is a start.”

While no authority exists for the U.S. government to close down the WTO single-handedly, the missive from Hawley echoes many of the complaints the Trump administration brought to office in 2017. It also reflects the hardening of some Americans’ views about China and the growing list of scapegoats sought for the economic calamity the country now faces.

**U.S. Delays Report on Hong Kong’s Autonomy:**The U.S. delayed an annual report to Congress assessing Hong Kong’s autonomy, Secretary of State Michael Pompeo said, amid signals that China’s top agency in the city could take a more hands-on role. The postponement will “allow us to account for any additional actions that Beijing may be contemplating in the run-up to the National People’s Congress that would further undermine the people of Hong Kong’s autonomy as promised by China,” Pompeo told reporters in Washington yesterday.

The move came days after China’s Liaison Office -- its top agency in Hong Kong -- accused resurgent pro-democracy protesters of jeopardizing the financial hub’s future. The U.S. previously dismayed China by showing support for Hong Kong’s demonstrators, who kicked off months of protests opposing Beijing’s increasing grip on the city last June

**Search for Virus Origin Means Mission to China:**The World Health Organization is considering a new mission to seek the source of the coronavirus in China, amid growing controversy over the origin of a pandemic that has killed more than a quarter of a million people. “Without knowing where the animal origin is, it’s hard to prevent it from happening again,” Maria Van Kerkhove, a WHO epidemiologist, said at a press briefing yesterday. “There is discussion with our counterparts in China for a further mission, which would be more academic in focus, and really focus on looking at what happened at the beginning in terms of exposures with different animals,” she added.

At a briefing today, Chinese foreign ministry spokeswoman Hua Chunying didn’t directly answer when asked if China would allow the WHO mission. She repeated that the origin of the virus needed to be determined by “scientists and professionals.” “The Chinese government and the WHO have seen good communication,” Hua said. “We would like continue our cooperation to deal with the pandemic.”

**Happening on the Hill**

**Trump Vetoes Bill to Restrict Iran Power:**Trump yesterday vetoed legislation that would require his administration to seek clearance from Congress for any military action against Iran. “This was a very insulting resolution, introduced by Democrats as part of a strategy to win an election on November 3 by dividing the Republican Party,” Trump wrote in a statement. “The few Republicans who voted for it played right into their hands.”

The resolution, which was introduced by Sen. Tim Kaine (D-Va.), would have barred troops from engaging in military actions against Iran without congressional approval. The Senate will hold a vote to overturn the veto this afternoon, but likely lacks the two-thirds majority necessary to override Trump’s action.

**Senators Seek Investigation of Carnival:**Sens. Richard Blumenthal (D-Conn.) and Ed Markey (D-Mass.) are urging a Senate committee to investigate Carnival’s response to the pandemic. In a statement yesterday, the senators cited reports indicating that Carnival continued sailing as the disease spread, even after recognizing the risks to passengers and crew. The statement was accompanied by a letter to Sen. Roger Wicker (R-Miss.), chairman of the Senate Committee on Commerce, Science and Transportation.

**Distancing, Video, Masks at Altered Senate Judiciary Hearing:**The Senate Judiciary Committee became one of the first congressional panels to adapt to new ways over the coronavirus pandemic as senators showed up in-person and via teleconference to hear testimony from Trump’s pick for the second highest court in the U.S. Despite a few instances where audio from the video stream was difficult to hear, the new format went smoothly—a common theme as more government institutions embrace new procedures to carry out work amid the health crisis. The U.S. Supreme Court this week made history when it began a series of teleconference oral arguments that were livestreamed to the public.

**Economic Actions & Path to Reopening**

**SBA Says $184 Billion in Loans Processed:** The Small Business Administration said yesterday that it’s processed $183.5 billion in loans out of the $310 billion Congress authorized for the second round of the Paycheck Protection Program. The agency said on its website that it’d processed over 2.4 million applications from 5,422 lenders as of 5 p.m. Eastern time. The total amount of federal loans approved increased by about $2.3 billion from Tuesday

* A California software company that received a Paycheck Protection Program loan of over $750,000 sued the government over new guidelines attempting to restrict who can get such assistance. Zumasys said in a suit filed Monday against the Small Business Administration and Treasury Department it’s concerned it’ll have to pay back the forgivable loan the company and its two subsidiaries received in mid-April, some of which has already been spent to keep nearly 70 employees on the payroll.

**Auto-Parts Makers Seek U.S. Loans:**Auto-parts manufacturers are lobbying for access to federal loans so they can resume making the components necessary for U.S. automobile assembly plants to begin producing cars again. The details of such a program, including its size, are still being discussed with lawmakers, but the loans are needed to help cover the initial raw materials purchases and other costs of producing parts after a roughly six-week period of almost zero revenue from components used in new vehicle production, according to Ann Wilson, senior vice president of government affairs at the Motor & Equipment Manufacturers Association.

**Perdue Says Meat Plants Should Reopen in 10 Days:** Agriculture Secretary Sonny Perdue said he expects that U.S. meatpacking plants to fully resume operations within a week to 10 days, during a meeting with Iowa Gov. Kim Reynolds (R) and Trump. The president said the U.S. has “plenty of supply” of meat. “Within a week and a half, we’ll be in great shape. Maybe sooner,” he told reporters in the Oval Office. Perdue added: “I’d say probably a week to 10 days before we’re fully back up.”

**Emergency Virus Measures Test Core Rights:** State and local efforts to slow the spread of the coronavirus with stay-at-home and lockdown orders has spurred a libertarian backlash driving sometimes armed demonstrators to the streets and lawyers into courthouses across the U.S. to file civil rights lawsuits. Aimed at freeing religious congregations and businesses from restrictions imposed in the name of protecting public health, the suits assert violations of the U.S. Constitution’s guarantees of freedom to publicly assemble, to worship, to bear arms, and not be stripped of one’s property interests without due process, rights their proponents assert must be preserved even if the countervailing risk is illness or death.

The Supreme Court, grappling with its own social distancing requirements, on Wednesday declined to lift Democratic Pennsylvania Gov. Tom Wolf’s March order to close all non-life-sustaining businesses. But, only days earlier, the U.S. Court of Appeals for the Sixth Circuit blocked Kentucky from barring drive-in church services and still more cases are pending including some with petitions already before the high court.

**U.K. to Ease Lockdown Monday:**The U.K. is set to ease parts of its nationwide lockdown Monday, with more freedom for people to leave their homes, but companies warned continued social distancing will hurt any economic recovery. Prime Minister Boris Johnson said he wants to start relaxing some measures next week “if we possibly can,” and will make a full statement on his plans on Sunday.

Under the changes, the government will stop ordering people to stay at home and allow them to sit or sunbathe in parks and exercise outdoors as much 1s they like, as long as they keep two meters apart from others. But officials cautioned the changes will be minor easements, rather than a big move to unlock the economy

**Health Insurers Offer Discounts to Customers Hit by Pandemic:** Several of the U.S.’s biggest for-profit insurers will give money back to customers and cut upfront costs for care and prescriptions, after they got an unexpected windfall because patients delayed normal medical services during the pandemic. UnitedHealth Group, the nation’s largest insurer, said it will rebate premiums to some commercial customers and waive cost-sharing for Medicare members as part of a $1.5 billion pandemic assistance program. Separately, Cigna said its pharmacy unit will cap the costs of some drugs for people who have lost health insurance. Earlier this week, Humana announced it would waive cost-sharing for Medicare members to see primary care doctors for the rest of the year.

**Tech Companies Take Privacy Reins With Law Absent:** Technology companies helping to fight the coronavirus are policing themselves to protect consumer data in the absence of a comprehensive U.S. statute and only a few state privacy laws. The companies are taking voluntary steps based on Europe’s privacy law, such as restricting the types of data they collect and stating upfront their specific purpose for gathering information. But without federal laws requiring such steps, consumers may doubt that companies will actually follow through and protect their data, said Neema Singh Guliani, senior legislative counsel at the American Civil Liberties Union.

**Movers & Shakeups**

**Nominations:**The Senate yesterday confirmed by an 84-7 vote William Evanina to be director of the National Counterintelligence and Security Center.

Trump yesterday announced his intent to nominate James Broward Story, a career member of Senior Foreign Service, to be ambassador to Venezuela.

North Carolina businessman and Republican fundraiser Louis DeJoy will be named head of the postal service, the Washington Post reported yesterday, citing the Postal Service’s Board of Governors. The White House and DeJoy declined to comment to the Washington Post.

**Ginsburg Released From Hospital:** Justice Ruth Bader Ginsburg was released from a Baltimore hospital after being treated for a benign gallbladder condition, the U.S. Supreme Court said last night. Ginsburg, 87, a four-time cancer survivor, was admitted to Johns Hopkins Hospital on Tuesday after tests revealed she had a gallstone that had caused an infection. She took part in two telephone argument from the hospital earlier yesterday. “She is doing well and glad to be home,” the court said in a statement.

**What Else to Know Today**

**White House Studies Virus Effect on Environment:**The National Oceanic and Atmospheric Administration has started studying how much the sharp cutoff in human activity due to the coronavirus has affected the planet’s atmosphere and oceans. Its findings will help sharpen climate projections and weather forecasts, the agency said yesterday. One target of research is the link between reduced activity and levels of carbon dioxide, methane, aerosols, and other common air pollutants.

**New York AG Appeals Primary Order:**New York state Attorney General Letitia James (D) is appealing a judge’s order to reinstate the state’s June 23 Democratic presidential primary election, which had been canceled because of the Covid-19 pandemic. She filed notice yesterday that New York is asking the federal appeals court in Manhattan to review the order. U.S. District Judge Analisa Torres ruled on Tuesday that the cancellation violated voters’ constitutional rights.

**Santorum Leads Conservative Climate Group:** Former Sen. Rick Santorum (R-Pa.) and a pair of former Republican Senate staffers launched a group yesterday to push for conservative approaches to climate change and energy. Some of the Conservative Coalition for Climate Solutions’ main targets will include seeking to streamline the permitting process under the National Environmental Policy Act, said Drew Bond, a coalition cofounder and former legislative assistant to former Sen. Don Nickles (R-Okla.).

**EPA Leans on Older Adjunct Workers, With No Raises:** In a large office in an eastern city, a woman works 36 hours a week at the EPA processing and issuing permits—a task she said only one other person in her office knows how to do. The woman, who declined to be identified in order to speak freely, is a retiree who works in the EPA’s Senior Environmental Employment (SEE) program. The program was created nearly four decades ago to let older workers—some of them EPA retirees, but many not—use their skills at the EPA, while keeping active and earning some extra money.

The EPA has come to rely on the program to fill in gaps from hiring freezes and worker departures, according to program participants. But its pay scale for the senior workers hasn’t risen since 2010—even as federal employees have gotten raises of more than 5% between 2011-2018, according to the agency’s inspector general. And while the program isn’t intended to offer permanent employment at the EPA, many of the workers view themselves that way, and some have been working for the agency for more than two decades, the OIG found.

**Navy’s Big Frigate Risks an Oversized Cost:** The Navy truncated orders for its ill-fated Littoral Combat Ship because the small vessels were vulnerable to attack and too lightly armed. Now, a new report suggests that the frigate intended to replace it may cost 56% more than projected partly because it’s bigger. The service projects that 18 of 20 new frigates will cost an average of $940 million each in inflation-adjusted dollars. The first two are estimated at about $1 billion each because of one-time costs.

But the Congressional Research Service alerted lawmakers this week to “a potential issue” worth reviewing: the accuracy of Navy cost estimates considering that “ships of the same general type and complexity that are built under similar production conditions” tend to have similar -- and substantially higher -- costs per ton of displacement.

# Agriculture News

**Multibillion-Dollar Corn and Soy Payments possible due to Coronavirus**

May 7, 2020 – Successful Farming

Low market prices on this year’s corn and soybean crops due to the coronavirus could trigger up to $7.2 billion in USDA subsidies to corn and soybean growers, said five university economists on Wednesday. “In estimating the damage that U.S. crop agriculture has suffered, it is important to take into account the payments made by existing farm safety net programs,” wrote the economists on the farmdoc Daily blog.

Traditional farm subsidies have been overshadowed by the Trump administration’s use of stopgap payments totaling $23 billion to farmers and ranchers to mitigate the impact of the trade war on 2018 and 2019 production. The $2 trillion coronavirus relief package included money for agriculture. Agriculture Secretary Sonny Perdue said producers would get $16 billion in cash through one-time programs. Unofficial reports say row-crop farmers would get $3.9 billion.

“Deepening concern exists over the demand destruction caused by the COVID-19 pandemic,” said the economists, so they compared corn and soybean futures prices before and after the coronavirus became widespread. The crops would have generated some $101 billion in revenue before the coronavirus. At present, the two most widely grown U.S. crops would fetch $83 billion to $88 billion.

Subsidies would range from $3.9 billion to $7.2 billion, the economists estimated, depending on the correlation between futures prices in May and cash prices when growers sell their crops. They cautioned that their estimates were tentative because the harvest is still months away. Yields will not become clear until September. “To make payments based on estimated damage before then is to incur substantial risk that payments will either be too large or too small.”

**Midwestern Hog Plants Easer Back Into Operation; “We’ve turned the corner” Says Perdue**

May 7, 2020 – Successful Farming

Three packing plants that account for 12% of U.S. hog slaughter are slowly resuming production this week after coronavirus shutdowns, potentially loosening a bottleneck among meat processors that is tightening supplies and raising prices at the grocery store. During a meeting at the White House on Wednesday, Agriculture Secretary Sonny Perdue said, “I think we’ve turned the corner” on meat shortages.

Beef and pork production plunged during April as outbreaks turned some meat plants into coronavirus hot spots. President Trump issued an executive order last week directing meat companies to stay in operation during the pandemic. The labor union representing meat workers asked state governors to insist on safety rules stronger than federal guidelines.

Meat shortages should end quickly, said Perdue, who joined President Trump in meeting with Iowa Governor Kim Reynolds. “I’d say probably a week to 10 days we’ll be back up, fully back up.”

Tyson Foods said limited production would resume Thursday at its pork plant in Waterloo, Iowa. JBS USA reopened its slaughter plant in Worthington, Minnesota, on Wednesday with plans to scale up production, and Smithfield Foods started the slow reopening of its hog plant in Sioux Falls, South Dakota, on Monday. All three were closed due to the coronavirus. In full operation, they slaughter roughly 60,000 hogs a day, or about 12% of U.S. capacity.

 “Member companies continue to work with local health authorities to safely open plants,” said the North American Meat Institute, a trade group. “Member companies have and will continue to follow CDC/OSHA guidance and will attempt to run at full capacity as long as worker safety is ensured.”

At Waterloo, Tyson said new safety precautions had been adopted, including a daily health screening as workers arrive at the plant and a requirement that workers wear company-supplied face masks and use face shields in areas where barriers could not be installed between workstations. Employees were invited to tour the plant on Wednesday to view the changes.

JBS said it expected operations at Worthington “to normalize over time as absenteeism rates decline in response to the preventive measures in place at the facility and as team members clear any necessary quarantine protocols,” reported WCCO-TV.

The Sioux Falls, Waterloo, and Worthington hog plants are three of seven in the Midwest with a slaughter capacity of around 20,000 head a day.

Earlier this week, U.S. district judge Greg Kays dismissed a lawsuit filed by a worker who alleged unsafe conditions — inadequate protection from the coronavirus — at a Smithfield packing plant in Milan, Missouri, reported public broadcaster KCUR. Kays said working conditions were a matter for the Occupational Safety and Health Administration. The meatpacker said it was following the latest safety guidance from the CDC and OSHA.

Data compiled by FERN shows that 48 meat industry workers have died and nearly 12,000 have been infected by the coronavirus. At least 17 packing plants and six processing plants were closed as of midday Wednesday.

“This ruling is directly in line with what the federal government has been calling for companies and communities to do in light of the president’s executive order,” said Perdue in a statement. Also on Wednesday, Perdue urged plants that have shut down or slowed operations to “resume operations as soon as they are able” after implementing the CDC guidance.

At the same time that some grocery chains are rationing their meat supplies and raising prices because of slowdowns at the packing plant, livestock producers are seeing lower bids for their animals. Minnesota hog farmer Mike Boerboom said during a Farm Credit Council webinar that he had lost $100 a head in a recent sale. Cattle feeder Shane Tiffany in Kansas said he had lost $250 a head, and poultry producer Butch Sensely said he expected to raise four flocks of broiler chickens on his farm in Louisiana this year, instead of the usual six.

“This is a losing situation for everybody” — producer, consumer, and processor, said Boerboom.

# Federal Employee News

**Hatch Act Applies while Working Remotely, OSC Stresses**

May 6, 2020 – Fed Week

Federal employees working remotely “are still subject to the Hatch Act’s on-duty restrictions,” the Office of Special Counsel has said, and should be careful regarding what they post on social media and what they wear on videoconferences while in work status.

The reminder comes as large numbers of federal employees who previously had teleworked only rarely if ever—and may be unfamiliar with all of the policies involved—are continuing to work from home.

The Hatch Act applies when an employee is “on duty” or “representing the agency in an official capacity” and “employees maintaining a regular work schedule while teleworking have the same on-duty status as if they were reporting to their regular duty stations. Therefore, they are subject to the Hatch Act’s on-duty prohibition during the hours they are working.”

Employees who work irregular hours are considered on duty any time they are performing official duties, it adds, and “therefore, employees wishing to engage in political activity by, for example, posting their views about a candidate on social media or making political donations, must ensure that they are not on duty when engaging in such activities.”

The restrictions also apply when on a work-related video call in the same way as for in-person meetings or communications, and employees for example “should not wear a campaign t-shirt or hat while participating in a work-related video conference call, and they should ensure that any partisan materials, like campaign signs or candidate pictures, are not visible to others during the call.”

Further, for teleconferencing programs and email applications that allow individuals to add a profile picture visible to others, employees “may not use candidate images, campaign slogans, or political party symbols for profile pictures associated with official accounts or when communicating on official matters.”

The OSC also recommended that given the increase in social media use in a socially distant environment, employees should familiarize themselves with its guidance on Hatch Act implications, which is at osc.gov/Services/Pages/HatchAct-FAQ.aspx.

**GAO Finds only Partial Progress on Key Federal Workforce Issues**

May 6, 2020 – Fed Week

GAO has said that most of its high-priority recommendations related to federal personnel issues remain unaddressed, including those involving use of special hiring and pay authorities as well as longstanding shortages of employees in high-demand occupations.

GAO for example cited a recommendation that OPM assess which special pay authorities—such as incentive payments and other exceptions to standard pay rules—are the most effective in improving employee recruitment and retention and decide how to best use them. It said OPM has collected data from agencies but has not performed the needed analysis.

Similarly, it said that OPM has collected data as GAO recommended on skills gaps across agencies, which GAO said are a factor in 16 of its 35 designated high-risk areas of government overall. But OPM has not conducted an analysis to “predict and address skills gaps in occupations affecting multiple agencies.”

GAO further recommended identifying and expanding the special hiring authorities that are the most effective and eliminating the rest. “OPM has made some progress in this area including by proposing ways to improve hiring by using flexibilities that exist within current authority. However, to fully implement this recommendation, OPM needs to prioritize and follow through on its planned actions to streamline hiring authorities and develop legislative proposals to implement these changes,” it said.

OPM also has made only partial progress on modernizing the federal job classification system, improving performance management and addressing misconduct, GAO said.

GAO’s report was one of a recently issued series on agency compliance with its recommendations. It said that 84 recommendations to OPM from past reports remain open, with three of the 18 deemed high-priority closed within the last year—involving identifying mission-critical occupations, strengthening its IT systems, and implementing solutions to address government-wide personnel challenges.

The new report however adds three recommendations related to strengthening IT security and management as high priority, bringing the number for OPM back to 18.