

Pillsbury's Washington Weekly Briefing: COVID-19 Developments

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Craig Saperstein	<p>So, hello and welcome to our latest episode of Pillsbury's weekly webcast from Washington D.C. which addresses ongoing developments pertaining to the Federal and State Government response to COVID-19. We hope everyone is doing well and staying safe during this uncertain time, and we very much appreciate you joining us today for this conversation. I'm Craig Saperstein, a Partner in Pillsbury's Public Policy practice in Washington, D.C., and I'm joined today by my colleague Aimee Ghosh. As former Democrat Congressional staffers many years ago, Aimee on the House side, me on the Senate side, it's a real honor for us to have the chance to interview our esteemed guest, Congressman Raja Krishnamoorthi, a Democrat who represents the Western and Northwestern suburbs of Chicago. A child of immigrants reared in Peoria, Illinois, Congressman Krishnamoorthi graduated from Harvard Law School and practiced law in Chicago before transitioning to public service. He served as a Special Assistant Attorney General helping to start the State's Public Integrity Unit, which was created to root out corruption in Illinois, and he later served as Illinois' Deputy Treasurer where he oversaw the state's technology venture capital fund. Elected to Congress in 2016 and reelected in 2018, Congressman Krishnamoorthi has quickly established himself as a rising star in the House. Now in only his second term in office, the Congressman serves as Chairman of the House Oversight Reform Committee Sub-Committee and Economic and Consumer Policy, which we will discuss in a moment. It puts him in a pretty distinct role as a congressional overseer of federal government spending in response to the COVID-19 pandemic. Congressman Krishnamoorthi also serves as a member of the House Permanent Select Committee on Intelligence. In his two terms, his policy platform has focused on growing and strengthening the middle class by supporting small businesses, rebuilding our infrastructure and protecting Social Security and Medicare. Congressman Krishnamoorthi has been kind enough to offer us some insider's view today and the Congress's oversight of the trillions of dollars – literally trillions of dollars of federal funds appropriated in response to the pandemic and what policies Congress is going to prioritize going forward. Congressman, welcome and thank you so much for participating.</p>
Krishnamoorthi	Sure, glad to be with you. Thank you.
Craig Saperstein	Just a quick housekeeping note before in terms of the questions, all of you listening in today have been automatically placed on mute to limit background noise during the discussion. If you'd like to ask a question, you can use the Q&A box located to the right of your screen and we'll

	<p>compile the questions and include them for discussion in next week’s webinar. And with that, I’m going to turn it over to my colleague Aimee Ghosh to begin our discussion with the Congressman.</p>
Aimee Ghosh	<p>Thank you Craig. Congressman, we’re thrilled to have you on today to talk about the important issues facing our country and Congress’ role, but first, let me start with you. Can you tell us about your background, how you were raised, your legal career, your experiences before you ran for Congress that have shaped your views about public service?</p>
Krishnamoorthi	<p>Well, thank you Aimee so much for having me and thank you Craig and thank you to Pillsbury for organizing this event. Basically, I was born in India, and I came to this country when I was three months old, and we originally started in Buffalo, New York, and things were going really well until suddenly they came to a screeching halt in the recession of 1973, and I like to say thanks to the generosity and good will of the people of the United States, my parents who fell on economic hard times were allowed to move into Public Housing and Food Stamps. So I spent a little bit of time in my early childhood – about half of my early childhood in those programs, but thanks to the generosity of the United States, we were allowed to stay until my father could complete his graduate studies in engineering and then ultimately land an excellent job in of all places Peoria, Illinois, and pretty much every night at the dinner table, my father would say something along the lines of “thankful for the greatness of this country, and whatever the two of you do (my brother and me), just make sure this country is there for the next family who needs it.” And so that became the North Star of my personal compass mainly and through a series of zigs and zags, I weaved from the private sector into the public sector and then back. And now I’m in a position in Congress where I can fulfill that mission statement that was assigned to me by my parents, which is just make sure this country is there for the next families who need it, and so that frames my economic agenda, which is to try to get everyone on to the up escalator of the economy regardless of whether you’re poor or middle class or whether you’re trying to start and grow a business, and certainly that frames what I’m doing right now in Congress in a time when there’s great need from a lot of people. So I want to make sure the government is there for them when they need help.</p>
Aimee Ghosh	<p>Right. And such a terrible and unprecedented time that we’re in right now, this global COVID-19 pandemic has taken a devastating toll on people, families, businesses in our communities. So from where you sit Congressman, can you talk to us about what aspects of the response has made you hopeful and what concerns you.</p>
Krishnamoorthi	<p>Well in terms of what’s made me hopeful is that from an institutional standpoint, we in Congress had to come together and if there’s a silver lining in any of this, we basically had to act through consensus and unanimously and swiftly to provide relief to the American people, and</p>

	<p>so in four packages, which were basically passed in a matter of I think six weeks or less, we were able to extend unemployment insurance benefits, issue stimulus checks, come up with a small business program, which is powerfully influenced in part by my own background as part of a small business family when I thought that during the last great recession, small businesses were neglected, and then do basically whatever it takes to try to battle this pandemic from a healthcare standpoint. We have a long way to go and that's where my concerns are. We obviously have implementation problems with regard to some of these programs, especially the PPP program for small businesses. We still have a long way to go in helping state and local governments which they direly need in huge budget shortfalls, and we have to offer clear guidance to the state and local governments on reopening the economy in a safe way, and we have a ways to go to develop a vaccine and therapeutics to make sure that we can actually either cure people of the disease who have it, help prevent others from getting it in the first place. I am concerned about the amount of testing that's in the economy. There's not enough, but if there's anything that I've learned in the initial part of this is that we are capable of exercising our consensus muscles and leadership muscles in a swift fashion when we have to do so, and that's what we have to do now going forward.</p>
<p>Craig Saperstein</p>	<p>Well thank you Congressman. Those are some really good insights, and so just for our audience as a reminder, Congress has passed four bills to help our country respond to this pandemic and provide relief to our people and as the Congressman said to small businesses, specifically through the CARES Act and the subsequent legislation I think folks up on the Hill are referring to it as Stimulus 3.5 in Congressional vernacular. Congress funded one program to support small and medium size businesses. There's a paycheck protection program and disaster loan programs administered by the SBA, as well as this mainstream lending program for mid-size and larger businesses that's administered by the Treasury Department. Congressman, you mentioned some of your priorities with respect to healthcare and testing and those types of items – I'm curious to kind of hear with respect to relief both to businesses and individuals. What are some priorities that you'd like to see and in particular, are there specific sectors of the economy that you think need more support that didn't get it or didn't get enough of it in these first few rounds of relief legislation.</p>
<p>Krishnamoorthi</p>	<p>In the short term with regard to the PPP, there's still a lot of question marks like for instance the loan forgiveness conditions. There are question marks about whether we need more quite frankly an extension of PPP past June 30 because a lot of businesses are not necessarily going to be back completely open by July 1 or their business is not going to be anywhere near 100 percent of what it was pre-pandemic. So those are some immediate concerns that face all businesses right now regarding</p>

	<p>the small business program. With regard to different sectors that might need extra care and attention, certainly the hospitality industry, the restaurant industry, the leisure industry, the tourism industry are going to be rocked as long as people don't feel safe congregating in one place. Retail is going to constantly be affected so long as we're not going to have a cure or a vaccine, and so we're probably going to need to look even more closely at those sectors to see, okay what do we need to do to help them regain their footing in an age of social distancing and quite frankly where people aren't comfortable congregating or getting together in large groups. I do think that – again I go back to the state and local government sector – this is something that's seldom discussed but state and local governments employ 20 million people in this country, and we're talking about police, fire, first responders, public healthcare folks. That's a sector of the economy you could say even an industry that is going to need to play a vital role in battling the pandemic and we need to take care of them lest we end up cutting the very services we need to stay safe.</p>
<p>Craig Saperstein</p>	<p>Thank you for that Congressman. You mentioned several sectors, in particular state and local governments, there's another sector that has kind of gotten left out in this relief to some extent and that is actually the non-profit sector. We know that there have been a lot of representatives from trade associations, certification organizations and other important non-profits. There really are large employers and generally very constructive members of our society have been left out to some extent from this relief. I know 501(c)(3)s are eligible for relief under the PPP program. Treasury has not yet established a financing program or relief program for non-profits under the mainstream program we're under – the program for larger organizations. I wonder if you have any thoughts on how we can help that sector of the economy perhaps.</p>
<p>Krishnamoorthi</p>	<p>You actually raise a point which I forgot to bring up which is yes, the not-for-profit sector, especially 500 and above were completely left out of the PPP Program, and I personally think we have to take a look at that and allow them to join. In addition, other taxing those organizations under the IRS Code 501(2)(6), 501(2)(5)s and so forth need to be included as well. I think the name of the game here Craig is how do we retain employment. In other words, the government should not be picking winners and losers with regard to who we save during the time that we're putting the economy into a medically induced coma. We want to preserve the patients, and the patients include a lot of sectors that unfortunately were left out of some of these programs, and I think they should be included. Now, once we get back to normal again, quote, unquote normal, whatever that looks like after we start reopening the economy, we might need to devote extra care and attention to certain industries that are just gonna have a harder time than others. But at least during the time when we're at stay at home and so forth, I don't think</p>

	we should leave anyone behind who has payroll provided that they meet certain conditions that certainly these sectors do.
Aimee Ghosh	Thank you for that. I'd like to switch gears a little bit. You're of course a member of the House Oversight Committee and Chair of the Sub-Committee on Economics and Consumer Policies. Can you tell us a little bit about how you view the role of these investigative and oversight committees?
Krishnamoorthi	Yes. I personally think the current Oversight Committee as well as the Sub-Committee that I chair are just absolutely crucial for making sure that our agencies operate properly, that we get rid of scam artists and go after hucksters out there who are trying to prey on vulnerable Americans in a crisis. I want to point to kind of three wins that we had even in this time period on these points. The big one yesterday was I went after those companies that did not get approval from the FDA that sell serological tests and antibody tests, and I also went after the FDA for allowing these companies to even exist because they allowed a pathway for unapproved tests that actually flood the marketplace. Thankfully due to pressure from us and others, they finally revised their policy yesterday to clear the market of unauthorized tests or tests that are unreliable or inaccurate or faulty. We also went after some scam artists, Alex Jones of Infowars was selling Nano Silver toothpaste, which he claimed prevents Coronavirus – another scam. Thankfully, the government decided to go after them and issue a cease and desist order. We also went after Well Matrix Company for selling quote, unquote, At-Home COVID-19 diagnostic tests. Again, unapproved by the FDA, and thankfully the FCC went after them and delisted the company. So these are examples of oversight that we can do even now with our existing structure during the pandemic that are necessary to make sure taxpayer dollars are spent properly and people don't prey upon the unsuspecting during this crisis.
Craig Saperstein	Congressman, thank you so much. That's a really great summary of some of the issues that you've focused on. It sounds like you've been quite aggressive already in making sure that these funds are being spent properly. Obviously, the CARES Act set up a number of special committees or a number of different panels for oversight and audits and investigations to occur. There's the Special Congressional Oversight Commission, there's the Special Inspector General for Pandemic Recovery and there's a whole bunch of other Inspector General authorities in the bill. I think I reviewed a Congressional Research Service Report that said that there's \$253 million in the bill for oversight and investigative activities. I'm kind of curious to hear how you see the interplay between congressional oversight activity, both the work of your committee and the special committee that's been set up and these other oversight authorities like the Site Special Inspector General and the Congressional Oversight Commission. How are you all

	going to kind of de-conflict or work together as it may be in conducting all this oversight?
Krishnamoorthi	Well, I think with regard to the Special Committee and Special Inspector General and other bodies, I do think that they're going to take a close look at how dollars are spent. For instance, in certain development programs like the PPP or other programs like that, I don't think that those are necessarily going to be set up to look at the FDA's response or other agency's response or at the administration's response in either policing the marketplace or handling how we reopen the economy or how we handle testing and so forth. I do think there will be some overlap. There always seems to be a converse between different committees, and that's necessarily a bad thing because different committees might come at it from different perspectives and certainly there's plenty of issues that need to be delved into and I think the more eyeballs on them, the more likely they'll be addressed.
Aimee Ghosh	Checking to the states and what's going on in the rest of the country, we're now talking about reopening businesses and lifting stay at home orders. In Illinois, your governor has issued a modified order at the end of May that will start letting people leave their homes and allow some business operations to resume. So I'm interested, what are you telling your constituents about reopening plans and what are you hearing from businesses and employers about their concerns about reopening?
Krishnamoorthi	Well I think that Governor Prizker overall did a very good job of kind of balancing competing demands of keeping everyone safe with how do you reopen the economy in a time when we don't have a vaccine and a cure, but we still have to because we have to get back to work. We have to make sure that we can start to heal the wounds and the economy, and I think that his decision was kind of based on facts and science and statistics as opposed to being compelled by political consideration. I think that is the key going forward. I understand that different states may decide to reopen in different ways depending on kind of where they're at with their efforts to flatten the curve so to speak, to bend the curve down to reduce the number of cases and the number of deaths and to make sure there are enough open ICU beds and ventilators in case there's a second wave that comes about because the reopening. All I ask is that everybody do so in a thoughtful manner that takes account of what the sign says, what the testing says, what their regional partners and surrounding states are doing as well, and they do so in cooperation with other authorities, whether it's the most local of authorities like mayors or whether it's the federal government, and I hope the federal government can support them to increase sources for testing. We need a lot more testing out there. Illinois set a target initially of doing 10,000 tests per day and just yesterday they reached 20,000 tests per day, which is good. I think we're so going to need to do more. We need to get to the point where testing not only symptomatic people but asymptomatic

	<p>people who are just randomly selected to find out whether they are hot spots and whether there are carriers among us so that we can isolate them, treat them and then keep the rest of the public safe. So that's how I see it going forward, and then finally we need to have some standards for employers on how to open up safely. What's social distancing going to look like in your office? Certainly, in my office which has a lot of people all the time, we're going to have to think about rotating people on a telework schedule. Not everyone can come to work every day. It doesn't make sense so long as we don't have a vaccine and a cure. Everyone is going to need to wear a mask. All the things that common sense dictates and that science dictates.</p>
Aimee Ghosh	<p>Well thank you for that and thank you for your leadership. We really appreciate you joining us. Is there anything else on your mind these days? We know you're very busy and we appreciate your time.</p>
Krishnamoorthi	<p>Yes. Please stay safe everybody. Please stay safe and healthy. If you need anything from my office on an individual basis with any kind of constituent need, we don't discriminate based on where anyone lives. We're happy to help in any way, shape or form and just please stay safe. That's the most important prerogative right now.</p>
Craig Saperstein	<p>Well, thank you for that Congressman, and as someone who has in-laws in the Chicago land area, we may have to take you up on that offer.</p>
Krishnamoorthi	<p>Absolutely. Anytime, anytime.</p>
Craig Saperstein	<p>Well Congressman, thank you so much for taking the time to speak with us today and just as you told everyone to stay safe, we certainly hope you do too because we know you're going to be coming back to D.C. with the House resuming session next week and we just hope that you and all of your staff and colleagues remain safe as you recongregate. We really want to thank all of the attendees for joining our webinar today. If you have any questions, please feel free to reach out to Aimee and me or a member of our Public Policy Team, and you can also email us at our general email address, questions@pillsburylaw.com. We certainly look forward to hosting everyone again on our next Washington Weekly Briefing, and we'll be sharing the recording of this conversation as well as a short two question survey by the end of the week. Congressman, thank you again. We really appreciate your time, and to everyone else, have a wonderful rest of your day.</p>
Krishnamoorthi	<p>Thank you.</p>