

Bipartisan \$908 billion “emergency relief framework” receives support from Democratic congressional leadership

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Democratic House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer in a joint press conference on Wednesday released a statement signaling their support for a bipartisan \$908 billion “emergency relief framework” proposal that was first revealed by Republican and Democratic members of the Problem Solvers Caucus on Monday. The caucus includes Democratic senators Joe Manchin (West Virginia), Mark Warner (Virginia), and Jeanne Shaheen (New Hampshire), and Republican senators Susan Collins (Maine), Bill Cassidy (Louisiana), Lisa Murkowski (Alaska), and Mitt Romney (Utah), as well as Angus King (Maine), an independent who caucuses with the Democrats.

The proposed four-month “emergency relief package” is another gift to big business and Wall Street and is less than half of the \$2.2 trillion package the Democrats had passed before the November election and roughly \$800 billion less than the \$1.7 trillion deal previously offered by the White House. Most important for the ruling class is the bill’s “temporary” liability shield for businesses and other organizations against COVID-19–related lawsuits brought against them by workers or customers who fell ill due to inadequate safety measures.

Senate Majority Leader Mitch McConnell however has already poured cold water on the proposal, instead sticking to the \$550 billion package he has been pushing for and that has already been agreed upon by President Donald Trump.

“In the spirit of compromise we believe the bipartisan framework introduced by Senators yesterday should be used as the basis for immediate bipartisan, bicameral negotiations,” Schumer and Pelosi said in their joint statement Wednesday, signaling their support for the bill.

The announcement of the proposal came Tuesday

during testimony by Federal Reserve Chairman Jerome Powell and Treasury Secretary Steve Mnuchin before the Senate Banking Committee. Both Powell and Mnuchin expressed support for the proposal, with Powell stating that it “sounds like you’re hitting a lot of the areas that could definitely benefit from the help.” Mnuchin stated he looked “...forward to reviewing with you the overall package. I do think that more fiscal response is needed.”

Five months after both political parties allowed enhanced unemployment benefits and housing protections within the misnamed \$2.2 trillion CARES Act to expire, leading to food lines, evictions, and death, and less than four weeks until some 12 million lose federal pandemic benefits, the latest murmurs of a possible agreement that leaves out much-needed aid for millions of workers, while protecting businesses from COVID-19–related lawsuits, epitomizes the bipartisan disdain the ruling class has for the lives and safety of workers and their families.

As with the CARES Act in March, the preliminary details reveal a windfall for the financial oligarchy while a pittance is made available for the majority of the population. The framework does not include another round of \$1,200 stimulus checks and reduces the enhanced \$600 unemployment benefit, which expired at the end of July, to a miserly \$300 week.

Left unmentioned in the proposal is the fate of two key emergency economic relief programs—the Pandemic Unemployment Assistance (PUA) program, which provides benefits to so-called “gig” workers and the self-employed, and the Pandemic Emergency Unemployment Compensation (PEUC) program, which provides benefits to those who have already exhausted their state benefits. Combined, the two programs account for nearly 13 million of the over 20 million people currently receiving some unemployment compensation, and both expire on

December 26, the day after Christmas.

The legislation also does not include any renter or mortgage protections, leaving some 30 million people in the US facing eviction in the next two months. The eviction of millions of people and their families with the virus spreading out of control will lead to hundreds of thousands of infections and tens of thousands of additional deaths, with Centers for Disease Control and Prevention (CDC) Director Robert Redfield already predicting that the US COVID-19 death toll could reach 450,000 by February. Redfield warned that this winter could be “the most difficult time in the public health history of this nation”

Hailing the \$908 billion figure as a “good middle ground” that “hits the major elements,” Democratic Illinois Senator Dick Durbin lent his support to the bill while offering mild criticism of the immunity from liability protections included in the bill, before adding that he didn’t want the liability issue to hold up the bill: “I want to make sure that we pass this COVID-19 bill, as the group has brought together, or something like it, for \$908 billion, we shouldn’t be delayed or diverted from this effort over a debate for immunity for liability. It’s an important issue but 38 states have already enacted laws related to COVID-19 liability, the others can certainly do it if they wish.”

Of the proposed \$908 billion, the bulk of the money in the proposal, \$288 billion, is earmarked to the Small Business Administration, primarily to refill the Paycheck Protection Program (PPP).

The PPP was created as part of the CARES Act and was sold as a method for paying businesses through forgivable loans in order to keep workers employed through the pandemic. Instead, it has served primarily as a slush fund for big business and a money-printing service for the large banks that service the loans, with previous disclosures revealing millions handed out to major sports teams, multimillionaires and religious institutions, while millions of workers were still laid off. For small businesses that attempted to obtain a loan, the shifting guidelines and paperwork proved a hurdle too high for many, unlike major corporations with dedicated teams of lawyers and accountants who were able to navigate the government bureaucracy.

On Tuesday, the *Washington Post* revealed through a Freedom of Information Act request and lawsuit against the Treasury Department, that of the more than 5 million loans that have been processed so far under the PPP, more than half of the \$522 billion allocated went to just 5

percent of the recipients. The top 1 percent of loans accounted for more than a quarter of all the loan value, approximately 28 percent.

The data showed that roughly 600 large companies received the maximum loan amount allowed under the program, \$10 million. Some of the companies that received \$10 million loans were the parent companies of major restaurant chains such as Uno Pizzeria & Grill, Boston Market and Legal Sea Foods.

Following the nearly \$300 billion earmarked for the PPP, the next largest item in the framework is the estimated \$180 billion for additional unemployment insurance. Under the current proposal, which is unsettled, the unemployment eligibility window would be increased by 13 weeks, allowing workers to claim through March 31, although it is unclear if they would be able to backdate claims.

The third highest figure—an estimated \$160 billion—is reserved for state, local and tribal governments, which have seen their tax revenues evaporate due to pandemic-induced lockdowns and restrictions. The funding is more than \$270 billion less than the \$436 billion Pelosi had previously demanded in the \$2.2 trillion package.

Another notable figure in the bill is the \$45 billion set aside for transportation. The pandemic has decimated public transit, leaving several major cities to consider, or already implement, drastic cuts, including the New York Metropolitan Transportation Authority, which is threatening to lay off 9,300 workers.

The Chicago Transit Authority is also facing a \$375 million budget shortfall in 2021, while Denver’s Regional Transportation District passed a budget in mid-November that included \$140 million in spending cuts and the elimination of 400 jobs through layoffs and attrition, along with wage reductions and furloughs.

However, according to Senator Warner’s office, of the \$45 billion earmarked for transportation, only \$15 billion is for mass transit, with \$1 billion for Amtrak and \$8 billion for the bus industry, leaving \$21 billion for the airlines, which already received \$25 billion through the CARES Act and still went ahead with furloughing more than 40,000 aviation industry workers.



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