ONI
O'NEAL INDUSTRIES
www.onealind.com

INSIGHT
JULY 2020

4.8M Jobs Added And Unemployment Falls To 11.1% As More States Reopen After COVID-19 Shutdowns—The U.S. economy added 4.8 million jobs in June as states continued to allow businesses shuttered by the coronavirus to reopen and more Americans went back to work, a surge that has more than offset massive and persistent layoffs.

The unemployment rate fell to 11.1% from 13.3% in May, the Labor Department said July 2. Economists surveyed by Bloomberg had estimated that 3.1 million jobs were added last month.

The number of Americans on temporary layoff fell by 4.8 million to 10.6 million as many laid-off workers were called back amid state reopenings. About 60% of unemployed workers were on temporary layoff, down from 73% in May. At the same time, 2.9 million people had permanently lost jobs in June, up from 2.3 million the prior month in a sign more employers are cutting ties with workers. Full Story
Source: USAToday, 07.02.2020

Baltic Index Inches Up, Sees Best Month On Record—The Baltic Exchange's main sea freight index edged higher on June 30, helped by gains in supramax and panamax vessel rates, and marked its best month on record. The Baltic dry index, which tracks rates for ships ferrying dry bulk commodities and reflects rates for capesize, panamax and supramax vessels, rose 5 points, or 0.3%, to 1,799.

The index surged about 257% in June, driven by a pick-up in iron ore demand from China, following the easing of coronavirus-led lockdowns in many countries. The Baltic capesize index, which had fallen to -48 in mid-May, eased 5 points, to 4,320.

Average daily earnings for capesizes, which typically transport cargoes of 170,000 tons to 180,000 tons, including iron ore and coal, rose by $79 to $30,857.
Source: Reuters, 06.30.2020

U.S. Consumer Confidence For June Jumps More Than Expected—Consumer confidence rose more than expected in June as the U.S. loosened stay-at-home and quarantine restrictions, raising hope for an economic recovery, according to data released Tuesday. The Conference Board's consumer confidence index rose to 98.1 for the month. Economists polled by Dow Jones expected consumer confidence to rise to 91 from a May reading of 85.9.

"The re-opening of the economy and relative improvement in unemployment claims helped improve consumers' assessment of current conditions," said Lynn Franco, senior director of economic indicators at The Conference Board. Franco noted, however, "the Present Situation Index suggests that economic conditions remain weak. Looking ahead, consumers are less pessimistic about the short-term outlook, but do not foresee a significant pickup in economic activity."

"Faced with an uncertain and uneven path to recovery, and a potential COVID-19 resurgence, it's too soon to say that consumers have turned the corner and are ready to begin spending at pre-pandemic levels," said Franco.

The board's present situation index rose to 86.2 from 68.4 while the short-term outlook among consumers also improved.

States across the country have ramped up efforts to reopen the U.S. economy by easing some measures aimed at curbing the coronavirus pandemic. This not only increased confidence among consumers, but sent stock prices flying. However, some states have had to roll back their reopenings as coronavirus cases increased once again. *Source: CNBC, 07.01.2020*

Durable Goods Shipments Begin To Bounce Back

In May, new orders of durable goods increased by $26.6 billion to $194.4 billion in May, an increase of 15.8%. The sharp rise in new orders begins to erase losses generated by two months of crushing COVID-19 related losses: new orders fell by 18.1% in April, and only slightly less in March. Increases in orders were driven mainly by transportation equipment, which shot up 80.7% from $20.9 billion to $46.9 billion.

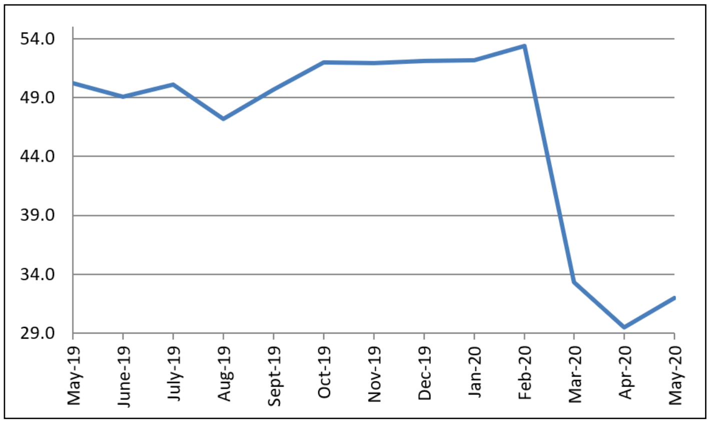
Shipments and unfilled orders of durable goods also increased in May following two months of decline, but lagged behind new orders. Durable goods shipments increased 4.4% to $198.5 billion following a decline, in April, of 18.6%. Shipments of transportation equipment rose 12.1% to 46.5 billion. Unfilled orders for manufactured durable goods only rose 0.1% to $1,108.6 billion, which follows a loss in April of 1.5%.

The market for capital goods also saw dramatic increases. Nondefense orders increased by 27.1% to $62.8 billion. Like with the rest of the durable goods market, shipments increased only slightly, and unfilled orders actually fell 0.1%. Defense orders of capital goods rose 19.9% to $13.3 billion.

The promising news for durable goods bolsters evidence that the market for manufacturing is improving following an April trough in the novel coronavirus recession. The data reflects factories which shut down in March or April and reopened in May, and builds on IHS Markit's Flash U.S. Composite PMI report, published June 23: The IHS Markit Flash U.S. Manufacturing PMI rose to 49.6, a four-month high indicating very slow contraction. (A PMI of 50 indicates no change.)
Source: IndustryWeek, 06.25.2020

Key Economic Indicators

Architecture Billings Index (ABI)

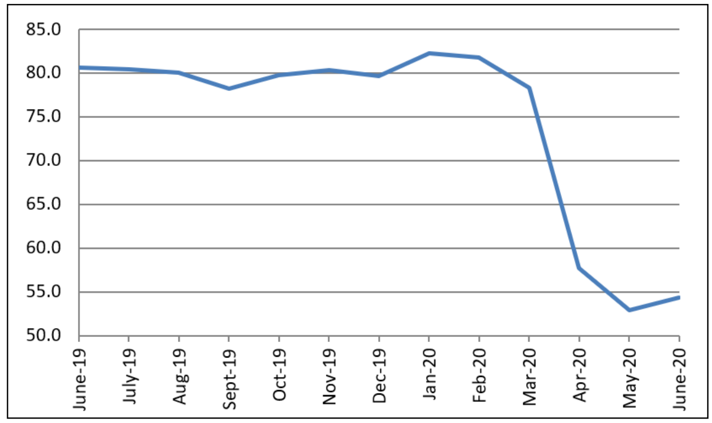


Demand for design services in May saw few signs of rebounding following a record drop in billings the month prior, according to a new report today from The American Institute of Architects (AIA).

AIA's Architecture Billings Index (ABI) score for May was 32.0 compared to 29.5 in April, but still represents a significant decrease in services provided by U.S. architecture firms (any number below 50 indicates a decrease in billings). In May, the decline in new project inquiries and design contract scores moderated from April, posting scores of 38.0 and 33.1 respectively.

The **Architecture Billings Index (ABI)** is a diffusion index derived from the monthly Work-on-the-Boards survey, conducted by the AIA Economics & Market Research Group. The ABI serves as a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months. An index score of 50 represents no change in firm billings from the previous month, a score above 50 indicates an increase in firm billings from the previous month, and a score below 50 indicates a decline in firm billings from the previous month.
Source: American Institute for Architects, 06.24.2020

Steel Capability Utilization



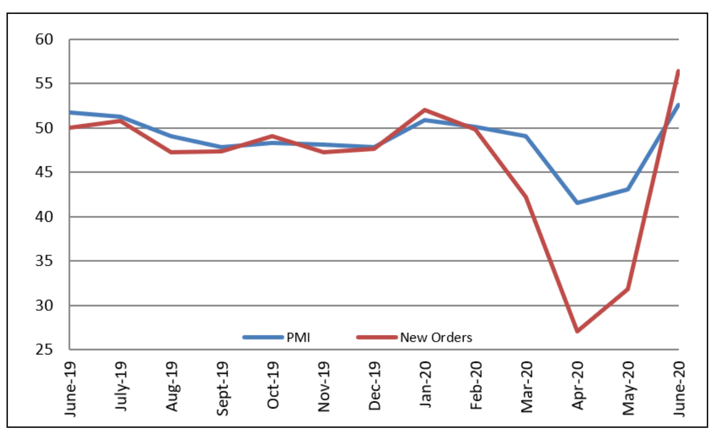
In the week ending on June 27, 2020, domestic raw steel production was 1,240,000 net tons while the capability utilization rate was 55.4%. Production was 1,863,000 net tons in the week ending June 27, 2019 while the capability utilization then was 80.1%. The current week production represents a 33.4% decrease from the same period in the previous year. Production for the week ending June 27, 2020 is up 1.3% from the previous week ending June 20, 2020 when production was 1,224,000 net tons and the rate of capability utilization was 54.6%.

Adjusted year-to-date production through June 27, 2020 was 39,165,000 net tons, at a capability utilization rate of 67.0%. That is down 18.9% from the 48,313,000 net tons during the same period last year, when the capability utilization rate was 81.2%.

Steel Capability Utilization is a domestic report based on estimates from companies representing approximately 90% of the Industry's Raw Steel Capability as compiled by the American Iron and Steel Institute.
Source: AISI, 06.27.2020

Purchasing Managers Index (PMI)®

The June PMI® registered 52.6%, up 9.5 percentage points from the May reading of 43.1%. This figure indicates expansion in the overall economy for the second straight month after April's contraction, which ended a period of 131 consecutive months of growth. The New Orders Index registered 56.4%, an increase of 24.6 percentage points from the May reading of 31.8%. The Production Index registered 57.3%, up 24.1 percentage points compared to the May reading of 33.2%. The Backlog of Orders Index registered 45.3%, an increase of 7.1 percentage points compared to the May reading of 38.2%. The Employment Index registered 42.1%, an increase of 10 percentage points from the May reading of 32.1%. The Supplier Deliveries Index registered 56.9%, down 11.1 percentage points from the May figure of 68%.



Of the 18 manufacturing industries, the 13 that reported growth in June — in the following order — are: Textile Mills; Wood Products; Furniture & Related Products; Printing & Related Support Activities; Apparel, Leather & Allied Products; Food, Beverage & Tobacco Products; Computer & Electronic Products; Plastics & Rubber Products; Chemical Products; Miscellaneous Manufacturing; Nonmetallic Mineral Products; Paper Products; and Electrical Equipment, Appliances & Components. The four industries reporting contraction in June are: Transportation Equipment; Primary Metals; Fabricated Metal Products; and Machinery.
Source: Institute for Supply Management, 07.01.2020

Industry News

U.S. House Democrats Unveil Infrastructure Spending Bill

On June 18, Democrats in the U.S. House of Representatives released the outlines of a broad $1.5 trillion infrastructure plan that would merge several bills into one large piece of legislation. The Moving Forward Act includes investment for highways, bridges, transit, rail, airports, ports/harbors; schools and child care; local financing and community development; housing; broadband; drinking water and wastewater; clean energy; health care; U.S. Postal Service; and environment and public lands.

Of particular interest to the metals industry are provisions that would:

- Invest more than $300 billion to fix existing roads and bridges;
- Triples funding for Amtrak to $29 billion, allowing for upgrades and expansion of the passenger rail network and improves rail crossing safety;
- Keeps cargo moving by funding the essential dredging and upkeep of American harbors, ports, and channels;
- Invests $30 billion to upgrade hospitals; and
- Creates a $3 billion grant program for shovel-ready projects to restore Great Lakes and coastal habitats and marine ecosystems.

Source: MSCI, 06.22.2020

U.S. Manufacturing Activity Hits 14-Month High

U.S. manufacturing activity rebounded in June, hitting its highest level in more than a year as the broader economy reopened, but rising COVID-19 infections threaten the recovery. The Institute for Supply Management (ISM) said on July 1, its index of national factory activity jumped to a reading of 52.6 last month from 43.1 in May. That was the strongest since April 2019 and ended three straight months of contraction.

A reading above 50 indicates growth in manufacturing, which accounts for 11% of the U.S. economy. Economists polled by Reuters had forecast the index rising to 49.5 in June.

The rebound in the ISM index was in tandem with improvements in regional manufacturing surveys and added to data on job growth, consumer spending and the housing market in suggesting that the economy had turned the corner after sliding into recession in February.

The uptick in economic activity follows the reopening of many businesses after being shuttered in mid-March in a bid to slow the spread of the respiratory illness.

But the resumption of operations has been accompanied by a surge in coronavirus cases across large parts of the country, including the densely populated California, Florida and Texas, prompting authorities to scale back or pause reopenings.

The ISM's forward-looking new orders sub-index jumped to a reading of 56.4 in June, the highest since January 2019, from 31.8 in May. Though the survey's measure of order backlogs at factories rose last month they remained lean. Export orders also remained in the contraction zone.

Factory employment improved last month, though still mired in contraction territory. The ISM's manufacturing employment measure rose to a reading of 42.1 from 32.1 in May, underscoring the depth of the jobs deficit caused by COVID-19.

The government's closely followed employment report to be released on June 21 is expected to show 3 million jobs created in June on top of the 2.5 million added in May, according to a Reuters survey of economists. That would leave nonfarm payrolls nearly 17 million below their pre-pandemic level.

Source: Reuters, 07.01.2020

Global Steel Production Down 8.7% In May

World crude steel production for the 64 countries reporting to the World Steel Association totaled 148.8 million tons in May, an 8.7% decrease compared with May 2019. For the year to date, global steel production is down 5.2% to 728 million tons.

The U.S. produced 4.8 million tons in May, a 36.6% decline from 2019. For the year to date, production in the U.S. was down 15.5% to 31.3 million tons.

Canadian production dropped 19.6% to 830,000 tons, while overall production of 4.8 million tons was down 12.2% for the full year. Mexican production in May of 1.5 million tons was off 13.3% from the prior year, while year-to-date production of 7.3 million tons was down 12.4.%.

China produced 92.3 million tons of steel in May, a 4.2% decrease compared with the same month in 2019. Japanese production declined 31.8% to 5.9 million tons, while South Korean production of 5.4 million tons was off 14.1%.

Production in the EU is estimated at 10.5 million tons in May, a 26.8% decline from the prior year. Due to the coronavirus, the WSA must estimate some production totals in its calculations.

Source: MetalCenterNews, 06.24.2020

Industry News

Federal Reserve Findings Show Signs Of Improvement In Manufacturing

The Federal Reserve reported June 16 that total industrial production increased by 1.4% in May as many factories around the country returned from lockdowns to reopen production at reduced rates. Nationally, the industrial production rate remains below 15.4% below its level in February, before the COVID-19 pandemic began negatively impacting production in March. Output rose 3.8% in May as most major industries posted increases, including motor vehicles and parts.

Capacity utilization in industry rose 0.8 points to 64.8%, 1.9 points beneath its lowest Great Recession point; Capacity utilization in manufacturing rose 2.2 points from April to 62.2%, 1.5 points beneath its Great Recession trough from June 2009.

Durable manufactured goods saw output rise by 3.8% last month, with significant gains in motor vehicles and parts that still left output more than 60% below February levels. Other durable goods categories' output rose by less than 10%, including nonmetallic mineral products, aerospace and miscellaneous transportation equipment, and furniture and related products. Output of nondurable products rose 2.1%, including raises of 10% or more in textiles, apparel, printing and support, and plastics and rubber.

Respondents to the Federal Reserve Bank of Philadelphia's June 2020 Manufacturing Business Outlook Survey, issued June 18, also indicated that manufacturing conditions in the region improved. Figures indexing general activity, new orders, shipments, and were all positive. The diffusion index for general activity went from -43.1 to 27.5 in June, its first positive rating since February; the metric measures perceived turning points in the economy. The survey covers parts of Delaware, Eastern Pennsylvania, and New Jersey.

The Empire State Reserve Bank's Manufacturing Survey, which covers regional manufacturers in New York State, released its own data June 16. It, too, indicated stabilizing manufacturing activities following two months of sharp decline. The general business conditions index, which tracks manufacturer sentiment, climbed almost 50 points to -0.2. While 36% of respondents reported improved conditions, the survey showed about the same percentage reporting worsened conditions month-over-month.

In general, though, the Empire State report notes that companies are far more optimistic than previously, as the index for future business conditions jumped to 56.5%, reportedly its highest level in more than ten years. And, although employment levels edged slightly lower in June, the index for future employment rose to 19.0: According to the Empire State Bank, this likely indicates companies expect to increase employment in the coming months. ***Source: IndustryWeek, 06.22.2020***

Oil Prices Just Had Their Best Quarter In 30 Years—What's Next?

Oil prices registered their best quarterly performance in 30 years during the three months through to the end of June, staging a dramatic comeback after falling to record lows in April. Brent crude futures skyrocketed more than 80% in the second quarter. It was the international benchmark's best quarterly performance since the third quarter of 1990, when it registered gains of 142% during the first Gulf War.

U.S. West Texas Intermediate futures surged 91% in the three months through to end of June, also reflecting the best quarterly performance for U.S. crude since the third quarter of 1990 when it soared 131%.

However, despite notching extraordinary gains in recent weeks, both Brent and WTI futures are still down over 34% since the start of the year.

The IEA's Executive Director Fatih Birol has reportedly said he believes 2020 may well come to be regarded as the worst year in the history of global oil markets, with April likely to be the worst month the industry has ever seen.

"I think obviously what we saw with the COVID-19 crisis was unprecedented and, in oil markets, it was coupled with the dislocation of the supply agreement between Russia and the OPEC countries at the same time," Martin Fraenkel, president of S&P Global Platts, told CNBC's "Squawk Box Europe" on June 30.

Those two "massive" events impacting oil prices was "a once-in-a-generation coincidence, so I don't really expect that again," Fraenkel said.

Nonetheless, he warned oil price volatility was likely to continue over the coming months, citing "really high" dislocations throughout the global energy sector.

Oil prices registered their best quarterly performance in 30 years during the three months through to the end of June, staging a dramatic comeback after falling to record lows in April.

Brent crude futures skyrocketed more than 80% in the second quarter. It was the international benchmark's best quarterly performance since the third quarter of 1990, when it registered gains of 142% during the first Gulf War.

U.S. West Texas Intermediate futures surged 91% in the three months through to end of June, also reflecting the best quarterly performance for U.S. crude since the third quarter of 1990 when it soared 131%. Full Story ***Source: CNBC, 07.01.2020***

Special Section: Trade

Supreme Court Rejects Challenge To Trump's Steel Tariffs, Leaving Them In Place

June 22, the Supreme Court announced that it will not yet hear a challenge to President Donald Trump's tariffs on steel imports into the U.S. The news was announced in an order with no noted dissents. The court's decision not to hear the case leaves in place a March decision from the U.S. Court of International Trade which allowed for Trump's tariffs.

The case was brought by a group of companies in the steel industry who say they are harmed by the 25% tariffs on steel imports that Trump ordered early last year. Those tariffs have collected approximately $4.5 billion so far, the group wrote in a brief with the top court, a figure that "significantly understates the irreparable and ongoing harm" to their businesses.

The plaintiffs, which include the American Institute for International Steel, are arguing that the law Trump invoked to impose the tariffs effectively granted him too much leeway to circumvent Congress, a violation of the Constitution's separation of powers. The law, Section 232 of the Trade Expansion Act of 1962, imposes no meaningful limits on the president's authority, they argued. The AIIS did not immediately respond to a request for comment. Congress has rebuked the president over his use of tariffs, but has so far not taken meaningful legislative action to limit his authority. The Trump administration urged the top court not to take the case and argued that the president has wide-ranging authority over foreign affairs and national security matters.

The case was brought to the Supreme Court in an unusual process that sought to expedite its review. The plaintiffs, urging the justices to hear the case quickly, noted that Trump is considering tariffs on car and auto part imports in the coming months, also under Section 232. The justices may agree to take the case at a later date, after it faces further review in the lower courts.

The steel tariffs apply to all countries except for Argentina, Australia, Brazil, Canada, Mexico and South Korea, according to Customs and Border Protection.

The case is known as American Institute for International Steel, et al., v. United States, No. 18-1317.
Source: CNBC, 06.22.2020

Closing On July 10: Comment Period For Section 232 Metals Tariffs Exclusion Program

The Metals Service Center Institute (MSCI) submitted comments to the Trump administration in 2017 supporting Section 232 tariffs on steel and aluminum, calling for exemptions for products from Canada and Mexico and consideration of the impact on downstream demand. (Click here to read the submitted comments for both steel products, and aluminum.)

Those tariffs now have been in place for two years, and now the department wants feedback on how the exclusion process for the program is working.

On May 22, the U.S. Department of Commerce's Bureau of Industry and Security (BIS) announced that it is seeking comments from the public regarding "how to improve the exclusion process for" the steel and aluminum penalties. Commerce Secretary Wilbur Ross said the department is "continually looking for ways to improve the exclusion process" because it wants "these critical national security measures to be applied effectively while avoiding unnecessary impacts on downstream American industries."

The BIS is seeking input on a number of topics, including the appropriateness of the information requested and considered in applying the exclusion criteria and the process employed in rendering decisions on requests for exclusions. It will accept comment submissions from May 26, 2020 through July 10, 2020.

Comments may be submitted through www.regulations.gov using the identification number BIS-2020-0012. Commenters should refer to RIN 0694-XC058 in all comments and in the subject line of comments that are emailed to BIS. Rebuttal comments will be accepted until August 10, 2020 and should only address issues raised in comments filed on or before July 10, 2020. ***Source: MSCI, 06.30.2020***

Source: Adobe Stock

Special Section: COVID-19

Manufacturers Provide A Model For Reopening

America is reopening. But to stay open, employers need to do more than encourage hand washing and social distancing. They need to think about employee health and safety as a comprehensive ecosystem that includes sanitizing workspaces, redesigning traffic patterns, wearing face coverings, and possibly even taking workers' temperatures. Employers also will have to consider which employees need to be in the office and which can continue to work remotely.

These and similar actions have been tried and proven to work well for many American companies thus far. While most Americans were asked to stay at home beginning in mid-March, most manufacturers remained open, carefully implementing new protocols to keep workers and communities safe. Now, as the economy restarts, their practices can be used as a model to protect all of us from COVID-19.

A lot is at stake to reopen smartly. The U.S. cannot afford a relapse but, at the same time, the nation's economy cannot remain closed indefinitely. This is not a simplistic, self-interested matter of putting profits over people, as some critics contend. Many Americans—whether employed in manufacturing, like our members, or in service and other industries—do not have the luxury of working from home; for them, being enabled to resume work safely is a life-sustaining matter of taking care of their families and themselves. Manufacturers will continue to invest heavily in these new health and safety measures not only to protect their workers but to protect the wider populace as well. To this end, the Manufacturing Leadership Council at the National Association of Manufacturers released a guide of operational practices that its members are using to great effect.

One of the biggest operational changes which many manufacturers have instituted is visitor restrictions. The only outsiders allowed into workplaces have been those who have vital business dealings—and they are often only permitted to enter after completing questionnaires about their recent medical conditions. At some companies, both visitors and regular employees are required to have temperatures taken with non-touch laser devices; only those with normal-range readings are permitted to enter. Such personal intrusiveness was unacceptable before the pandemic, but now it could well become routine.

Many manufacturers on the front lines of the nation's response also have made sure their workers were situated at least six feet apart. Where that was not practical, they have placed plexiglass or vinyl barriers between workers. They have instituted one-way corridors and made face coverings and hand washing mandatory.

Another major change involves the cleaning of surfaces. Many companies already were cleaning and disinfecting high-touch areas at the beginning and end of shifts; the novel coronavirus compelled them to disinfect more frequently and with greater care—and that works. Many disinfectants can kill COVID-19. The Environmental Protection Agency identifies the disinfectants that it has approved for this purpose on its List N. Many manufacturers of those products have worked overtime to increase supplies of these approved materials; so far, they have kept up with demand and remain upbeat that they can continue to do so. To assist in that effort, the Department of Homeland Security declared disinfectant manufacturers and their workers to be essential.

Deep cleaning throughout the day also has been effective and helpful in reassuring workers. Some companies have scheduled cleaning crews to come throughout during the day rather than at night to demonstrate to employees that safety measures are a priority.

If manufacturers' experience is a guide, some pre-COVID-19 practices won't return for a while. One is nonessential travel. Another is eating at company cafeterias; many of these have simply been closed. Even clustering around the water cooler or in break rooms is discouraged today.

A few of the new practices touch on matters that were previously personal. For example, decisions about which personnel can come into the workplace involve the distance employees traveled to get to work, their own health status, or the health status of family members. Such questions must be handled carefully, and employers should be open to telecommuting when possible.

Other new ways of working are mostly common-sensical. People who feel ill need to stay home; in some cases, if people can work from home, they may be asked to continue doing so. Staggered reentry into the office or workplace in some cases will reduce the dangers of congestion, which is a major cause of the virus's spread.

Taken together, these changes, though sometimes jarring, continue to make a positive difference. Their success is proof that the economy can reopen safely—if we all take the proper precautions and work to protect one another.
Source: The Hill, 06.22.2020

Opinion by Jay Timmons and Steve Caldeira. Jay Timmons is president and CEO of the National Association of Manufacturers. Steve Caldeira is president and CEO of the Household & Commercial Products Association.

Special Section: COVID-19

Small Business Owners Expect Swift Recovery

Small businesses are figuring it out. Of those allowed to reopen in some capacity by their state, city, or county, 81% have already begun or are in the process of reopening their business. And that is causing them to predict a quicker recovery than what has been forecasted by economists, explains SHRM (Society for Human Resource Management).

In a study released on June 23, 52% of those surveyed expect to recover to pre-COVID profitability in six months or less, compared to other studies predicting a recovery in some areas won't occur until 2024.

"The U.S. workforce has experienced nothing short of an upheaval," said Johnny C. Taylor, Jr., SHRM CEO in a statement. "Following a pandemic, recession, and protests nationwide, we're seeing small businesses innovate and adapt as they reopen their doors. This research underscores how small businesses have truly proven their agility and flexibility as the country confronts the COVID-19 pandemic."

And that flexibility is causing great optimism.

"Notably, 75% of small business executives are confident their business will be better prepared to effectively handle a crisis like the COVID-19 pandemic if one occurred in the future," Taylor added. Part of the reason they feel confident about facing future issues is that they are willing to make some workforce changes. For example, 82% plan to employ a more flexible work-from-home policy for all workers with telework-capable jobs. And 43% plan to accommodate employees with children by allowing flexible hours/compressed workweeks.

Workforce process improvement has also led to improving skills. One in five small business owners has asked their employees to learn new skills to support changes in their business model. Interestingly, 56% of the businesses in the survey report that they haven't had to make permanent layoffs.

In addition to workplace policies, the companies are looking to new, or novel technology processes with one in 10 having adopted these technologies.

The survey also highlights innovations in business operations, changes in policies and key challenges. To help companies navigate the new normal, SHRM offers a variety of resources to small businesses including:

Reopening and Rebuilding Small Businesses

Impact of the Pandemic on Small Businesses

Resources on COVID-19 and the Workplace

Source: IndustryWeek, 06.23.2020

Senate Approves Extending Small-Business Program

The Senate voted the evening of June 30 to extend a federal loan program by five additional weeks, a surprise move that would allow small businesses weathering the pandemic to continue receiving aid. Less than four hours before the Paycheck Protection Program was scheduled to end with more than $130 billion in loan money unspent, the Senate approved extending the application period until August 8.

The legislation now heads to the House, which had finished voting before the bill cleared the Senate, and will require President Trump's signature for the program to continue. Members of both chambers are expected to leave Washington for the Fourth of July and are not set to fully return for two weeks. "The resources are there," said Senator Benjamin L. Cardin, Democrat of Maryland and one of the architects of the program, which offers low-interest loans to help small businesses maintain their payrolls. "The need is there. We just need to change the date."

The unexpected approval of the extension, which required agreement from all 100 senators, came as lawmakers began to debate the contours of another coronavirus relief package. With multiple parts of the $2.2 trillion stimulus law set to expire at the end of July and new outbreaks forcing many states to slow efforts to reopen their economies, lawmakers widely recognize that another measure will be necessary.

Of the initiatives created by the stimulus law, the Paycheck Protection Program has emerged as a bipartisan centerpiece despite a chaotic start. Facing a deluge of requests for assistance, the program ran out of money, and Congress moved in April to inject an additional $320 billion into it. Already, the program, administered by the Small Business Administration, has allocated $520 billion in loans to nearly five million businesses nationwide.

Steven Mnuchin, the Treasury secretary, told lawmakers on June 30 that he had been discussing the possibility of repurposing the funds left in the program, "extending it to businesses that are most hard hit, that had a requirement that their revenues have dropped significantly, things like restaurants and hotels and others where it is critical they get people back to work." Full Story

Source: NYTimes, 07.01.2020