



BULLETIN #79/2020

JUNE 2, 2020

_CORONAVIRUS UPDATE #65

REMINDER: PRE-PHASE TWO RE-OPENING PREPARATION

U.S. SENATE TO TAKE UP PPP LOAN FLEXIBILITY BILL

BUSINESS CONFIDENCE EDGES UP AFTER DISMAL MARCH, APRIL

NADA DEALERSHIP LIFELINE WEBINARS FOR THIS WEEK

MASSACHUSETTS COVID-19 DAILY TRACKER

[This bulletin supplements our previous bulletins #11 and #16 through #78 on this subject matter. These bulletins are intended to be cumulative so we can avoid repeating the same information.]

Reminder: Pre-Phase Two Re-Opening Preparation

As we wrote in Bulletin #78 (6/1/20), Governor Charlie Baker yesterday issued an Executive Order that provides a detailed list of businesses and activities that fall into phases two, three, and four of the Commonwealth's re-opening plan.

The order permits all phase two enterprises, including retail, to begin preparations to safely resume operation in advance of the start of the second phase. Effective immediately, the Executive Order permits phase two businesses to reopen their physical workplaces to workers only to conduct necessary preparations prior to the start of phase two. Preparations include, but are not limited to, completing a COVID-19 Control Plan, implementing sector-specific protocols, and complying with Mandatory Workplace Safety Standards.

Pursuant to the governor's Executive Order, retail stores will transition from curbside pickup and delivery-only to browsing and in-store transactions with restrictions at the start of Phase II. For example, social distancing guidance requires each retail store to monitor customer entries and exits and limit occupancy at all times to either eight persons (including store staff) per 1,000 square feet of accessible, indoor space, or 40 percent of the retail store's maximum permitted occupancy, whichever is greater. All stores are encouraged to offer exclusive hours or other accommodations for high-risk populations. For staffing, stores should adjust workplace hours and shifts, including leveraging staggered arrivals and departures, to minimize contact across workers and to allow for on-going and off-hour sanitation and cleaning. Stores should also conduct frequent disinfecting of heavy transit areas and high-touch surfaces.

Retailers that have been defined as providing **Essential Services** pursuant to COVID-19 Order No. 13, issued on March 23, 2020, which included vehicle service/repair and parts sales as "essential" will be **required** to comply with these sector-specific safety protocols



sales as “essential”, will be **required** to comply with these sector-specific safety protocols within one week of the date that retailers are authorized to open pursuant to the governor’s phase two re-opening order.

Bulletin #78 contained links to all the necessary documents. Please review those materials and share with appropriate staff. Those materials are the following:

Governor Baker’s June 1, 2020, Phase Two Re-Opening Executive Order: click [here](#).

“Safety Standards and Checklist: Retail Businesses”: click [here](#).

“Retail Businesses Protocols Summary” pdf document: click [here](#).

“Retail Businesses Checklist” pdf document: click [here](#).

“Guidance for Industries on the Re-opening Plan, as of June 1, 2020”: click [here](#).

U.S. Sen. Majority Leader McConnell Says Senate to Take Up House’s PPP Flexibility Bill

[From *Roll Call*]

Yesterday afternoon Senate Majority Leader Mitch McConnell said his chamber would “soon” vote on a House bill passed last week that would add flexibility to a loan program helping small businesses survive the economic crisis caused by the novel coronavirus.

“I hope and anticipate the Senate will soon take up and pass legislation that just passed the House by an overwhelming vote of 417-1 to further strengthen the Paycheck Protection Program so it continues working for small businesses that need our help,” McConnell said yesterday.

The House passed a bill last week that would make a few tweaks to the Small Business Administration’s Paycheck Protection Program, which offers companies forgivable loans that act like grants so long as the money is used mostly to pay employees.

The legislation would give small businesses more time to use the PPP funds and allow them to use more money for non-payroll expenses.

The program, created as part of the roughly \$2 trillion economic relief package passed in March, currently requires small businesses to spend the loans within eight weeks in order to have the debts forgiven. The House bill would lengthen that time to 24 weeks, reflecting the longer-than-expected duration of the Coronavirus stay-at-home orders.

The legislation would also reduce an administration rule that requires borrowers to use at least 75 percent of the loans on payrolls to 60 percent. Businesses with relatively low labor costs but higher fixed costs like rent or utilities — such as restaurants or retailers — complained those restrictions were too strict to help their businesses stay afloat.

The bill, co-sponsored by Reps. Dean Phillips (D-Minnesota) and Chip Roy (R-Texas),



would also lengthen the repayment term for parts of the loans that aren't forgiven. PPP funds that don't fully follow the program's parameters must be repaid with a 1 percent annual interest within two years. The bill would extend the unforgiven loan term to five years.

The House-passed bill is different from a bipartisan measure the Senate unsuccessfully tried to "hotline" on May 21 before leaving for a recess that ended Monday. That bill, backed by the bipartisan leadership of the Senate Small Business Committee, would have only lengthened the time period to use the loans from eight weeks to 16 weeks.

That Senate bill would not loosen the existing 75 percent payroll spending requirement. But it would allow businesses to spend the money on personal protective equipment and other infection-preventing investments, provisions that aren't in the version passed by the House.

Business Confidence Edges Up After Dismal March, April

[Courtesy *State House News Service*]

Business confidence remains in pessimistic territory, but analysts said today that a major employer survey is beginning to show signs of a brightening view now that Massachusetts has begun to restart economic activity.

Government-forced business shutdowns sent business confidence readings plummeting into negative territory in March and the financial fallout of the coronavirus pandemic further dimmed the economic outlook [in April](#). But the Associated Industries of Massachusetts (AIM) Business Confidence Index ticked up slightly in May, rising 3.7 points to 42.1, which the employer group noted is "well below the 50-point mark denoting an optimistic outlook on the economy."

AIM said the increase in confidence came as Gov. Charlie Baker announced the state's four-phase reopening plan and began to loosen restrictions on business activity. The reboot of the economy was made possible by improving COVID-19 public health data, and the chair of AIM's Board of Economic Advisors said that good public health data is good for business.

"Employers are encouraged that Massachusetts has been able to moderate the number of new COVID-19 cases," Raymond Torto said. "We have said all along that the current economic crisis is being driven by the public-health crisis and that's what we see here."

The individual indicators that make up the Business Confidence Index were "uniformly higher" in May, AIM said. The Massachusetts Index, which assesses business conditions only within the state, increased 2.9 points to 37.4 in May -- 23.5 points lower than in May 2019, but still a better reading than the U.S. Index, which measured at 36 last month.

Though employers were more confident in the state economy than the national economy, the index that measures conditions nationally gained 3.9 points in May, while the state index grew at a slower pace of 2.9 points.



The survey's Current Index, which assesses overall business conditions at the time of the survey, was up 4.9 points to 36.1 while the Future Index, which gauges expectations six months out, climbed 2.6 points to 48.2, AIM said.

"The fact that the Future Index is 12 points higher than the Current Index suggests that some employers believe they will be able to resume acceptable business volume as long as the virus remains under control," Elliot Winer, chief economist at Winer Economic Consulting and a BEA member, said, adding that any uptick in employer sentiment is important after the Massachusetts economy contracted at an estimated 6.1 percent annual rate during the first quarter.

AIM President and CEO John Regan said the phased re-opening plan marked "an encouraging first step" but said businesses have a long road ahead as they adapt to new workplace safety requirements."

"We realize that every employer in Massachusetts would love to hear that they can re-open immediately," Regan said. "But we also acknowledge that a phased re-opening balances the need to restart the economy with the need to manage a public health crisis that continues to claim many lives a day in Massachusetts."

On Another Note...

In an article published this week in *The Atlantic*, a Harvard researcher said it is not a question of if COVID-19 cases will spike after the large demonstrations of the last few days, but when and where those spikes will pop up. "The virus seems to spread the most when people yell (such as to chant a slogan), sneeze (to expel pepper spray), or cough (after inhaling tear gas)," the [Atlantic article](#) said. "It is transmitted most efficiently in crowds and large gatherings, and research has found that just a few contagious people can infect hundreds of susceptible people around them."

NADA Dealership Lifeline Webinar Series for This Week

NADA will conduct the following webinars this week:

- **Wednesday, June 3, 1pm-2pm ET:** [Preparing Your Parts Department for After COVID-19](#). Andreas Ronneseth of RevolutionParts and Garry Ricci of Quality Dealerships will discuss how digital parts commerce can help dealerships during and after a crisis.
- **Thursday, June 4, 1pm-2pm ET:** [The Future of Dealer Technology: Leading Innovation in Automotive](#). Mike Trasatti, CEO of DealerBuilt, will discuss how business leaders are developing short- and long-term technology strategies to deliver superior customer experiences, optimize spend on enterprise technology and drive alignment and continuity across their organizations.
- **Friday, June 5, 1pm-2pm ET:** [The Best Ideas from NADA 20 Groups, Part 6: In Times of COVID-19 Pandemic](#). Tim Gavin, NADA 20 Group consultant, will review some of the best new ideas from NADA 20 Groups during these unprecedented times.



Recordings of [all webinars in NADA's Lifeline Series](#) are available to NADA and ATD members 24/7, free of charge. Click [here](#).

Daily Massachusetts COVID-19 Tracker

The state's COVID-19 Dashboard with up-to-the-date data can be found [here](#).