

January 21, 2021

Summary

The United States has 24,538,028 confirmed COVID-19 cases and 408,011 reported related deaths. Some experts believe the surge that caused a massive spike in cases through the fall and winter has peaked, though the country will likely see another wave driven by new, more contagious COVID-19 variants. President Joseph Biden will spend his first full day in office implementing a national strategy for controlling the virus. His strategy relies on executive orders that will mobilize government departments, mandate masks and social distancing in interstate commerce, ramp up COVID-19 studies and testing, and increase production of critical supplies. By Wednesday night, he had already signed three COVID-19-related orders, one mandating social distancing and masks on federal property. The new CDC Director Rochelle Walensky extended the eviction moratorium at least through March. Officials in Maine and Michigan announced thousands of vaccine doses have potentially spoiled because of improper temperature maintenance during transportation. United Airlines lost over \$7 billion in 2020, and Delta Airlines reported a \$12.4 billion loss for the “toughest” year in the company’s history.

As of January 14, over 2.5 million U.S. children had tested positive for COVID-19, including 211,000 children diagnosed between January 7 and 14 – the largest single-week total since the pandemic began. Texas state health officials warned hospitals cannot handle many more new patients after a recent surge in new cases, hospitalizations, and deaths throughout the state. Michigan Governor Gretchen Whitmer unveiled a \$5.6 billion COVID-19 recovery plan to expand vaccine distribution, help schools resume in-person instruction, and aid businesses and residents across the state. Florida case numbers are improving after a decline in new cases in the hard-hit Miami and Jacksonville areas.

New York reported 174 deaths, 9,055 hospitalizations, and 1,560 COVID-19 patients in intensive care on Wednesday, January 20, 2021. Approximately 13,886, or 6.18% of the 224,569 tests administered in New York on January 20 were positive for COVID-19. As of January 20, New York has received 2,057,875 doses of the vaccines and administered 1,046,490 doses to patients. Governor Cuomo called on President Biden to ramp up vaccine production and distribution, noting that New York could run out of vaccines by the end of the week; Mayor de Blasio said that several hospitals were forced to cancel vaccinations due to the supply shortage. Governor Cuomo unveiled his budget proposal, which would increase the State’s top income-tax rate on the wealthy unless the State receives federal relief. The proposal provides for tax credits intended to assist hard-hit small businesses, restaurants, and the music and theater industries. New York City school principals have called for the selective high-school admissions exam to be administered online to protect against infections.

Presidential updates

- [*Biden Unveils, Begins Implementing, a National Pandemic Response*](#), January 21
 - Biden unveiled a 21-page national strategy for controlling the pandemic, which he will spend his first full day in office working to implement.
 - Biden plans to make aggressive use of executive orders. By [Thursday](#) evening, Biden had already signed orders: appointing Jeffrey D. Zients as Biden’s COVID-19 response coordinator and restoring the Directorate for Global Health Security and Biodefense at the National Security Council; requiring social distancing and masks on all federal property; reestablishing the United States’ relationship with the World Health Organization; directing agencies to use the Defense Production Act to address supply shortfalls in 12 categories; directing FEMA to reimburse states for vaccine supplies, testing supplies, and related National Guard deployments; requiring masks “on many airplanes, trains, and certain other forms of public transportation;” mandating more public data on virus cases and vaccinations; requiring Occupational Safety and Health Administration immediately “issue updated guidance on COVID-19 worker protections;” directing Departments of Education and Health and Human Services to issue guidance on safely reopening schools; creating a COVID-19 Health Equity Task Force aimed at addressing the disproportionate impact of the virus on communities of color; and ramping up large-scale randomized trials of potential COVID-19 treatments.
 - Biden will create a new White House office to coordinate execution of the strategy across the government.
 - Biden has promised to “get [100 million](#) COVID-19 shots into the arms of the American people” by his 100th day in office. Yesterday, the head of [Amazon](#)’s consumer business, Dave Clark, offered to help Biden achieve this goal by aiding in vaccine distribution.
 - According to [Clark](#), “[W]e are prepared to leverage our operations, information technology and communications capabilities and expertise to assist your administration’s vaccination efforts. . . . Our scale allows us to make a meaningful impact immediately.” Amazon has made similar offers to some state governments. Clark also asked that Amazon’s employees, many of whom work in essential roles, receive the vaccine “at the earliest appropriate time.”

World Health Organization (WHO)

- [*WHO COVID-19 Updates*](#), January 19
 - President Joe Biden retracted a decision by the Trump Administration to withdraw from WHO. Biden named Dr. Anthony Fauci head of the U.S. delegation to WHO, and said, “[t]he United States will continue to be a full participant and a global leader,” confronting public health matters.
 - The United States will also join WHO’s COVAX initiative, the global alliance to fund and provide vaccines for low-income nations that cannot afford to buy sufficient vaccines for themselves. COVAX hopes to begin delivering doses of AstraZeneca and Johnson & Johnson’s vaccines as early as the first quarter of 2021, if the drugs are approved.

U.S. Centers for Disease Control and Prevention (CDC)

- [*CDC Interpretation of Forecasts of New Deaths and Hospitalizations*](#), January 20
 - CDC [consolidated](#) data from 37 models projecting the COVID-19 death rate. Predicted rates of increase differ among the forecasts, depending on assumptions about the prevalence and rigor of social distancing behaviors. CDC’s national ensemble forecast indicates that the number of newly reported COVID-19 deaths will likely increase over the next four weeks. It predicts between 465,000 and 508,000 cumulative COVID-19 deaths by February 13.
 - CDC [consolidated](#) data from 12 models projecting the number of daily COVID-19 hospitalizations. The models predict daily hospitalizations will increase in two jurisdictions and decrease in 17. The forecasts estimate 9,300 to 21,000 new COVID-19 hospitalizations per day by February 15.
- [*Extension of Eviction Moratorium*](#), January 20
 - On Wednesday, CDC Director Walensky extended an order halting residential evictions until at least March 31, 2021.
 - Walensky stated, “The COVID-19 pandemic has presented a historic threat to our nation’s health. It has also triggered a housing affordability crisis that disproportionately affects some communities We must act to get cases down and keep people in their homes and out of congregate settings – like shelters – where COVID-19 can take an even stronger foothold.”
- [*Evaluation of Abbott BinaxNOW Rapid Antigen Test for COVID-19*](#), January 19
 - FDA granted the BinaxNOW rapid antigen test emergency use authorization for testing symptomatic patients for COVID-19.
 - According to CDC, the antigen test has a sensitivity of 64.2% for specimens from symptomatic patients and 35.8% for specimens from asymptomatic patients. The antigen test has near 100% specificity in both specimens. [Sensitivity](#) measures how often a test correctly identifies a positive result for people who have a condition. The higher the sensitivity, the lower the rate of false negatives. [Specificity](#) measures a test’s ability to generate a negative result for people who don’t have the condition. The higher the specificity, the lower the rate of false positives.
 - CDC suggests, “Despite their reduced sensitivity to detect infection compared with real-time RT-PCR, antigen tests might be particularly useful when real-time RT-PCR tests are not readily available or have prolonged turnaround times.”

New York State

- [*New York State COVID-19 Updates*](#), January 21
 - New York reported 174 deaths, 9,055 hospitalizations, and 1,560 COVID-19 patients in intensive care on Wednesday, January 20, 2021.
 - Approximately 13,886, or 6.18% of the 224,569 tests administered in New York on January 20 were positive for COVID-19.
 - As of January 20, New York has received 2,057,875 doses of the vaccines and administered 1,046,490 doses to patients.
 - Governor Cuomo [called](#) on President Biden to increase production of the COVID-19 vaccine, warning that New York, without a new distribution, will run out of first doses

of the vaccine. Currently, New York has 145,000 first doses remaining, but expects to administer them to patients within the next two days. On January 20, Mayor de Blasio said that the City had to reschedule 23,000 vaccine appointments due to a vaccine shortage caused because a shipment of roughly 90,000 that had been expected Tuesday was delayed until Wednesday or Thursday.

- As part of his budget proposal revealed on January 19, Governor Cuomo [proposed](#) to provide several tax credits to New York businesses in an effort to jumpstart the economic recovery from the pandemic. The proposal provides for (i) a small-business tax credit of \$5,000 per employee up to \$50,000 per business that experienced a minimum 40% revenue or employment loss during the pandemic; (ii) a \$5,000 per employee up to \$50,000 per business credit for restaurants in areas that had been highly restricted, such as New York City, and (iii) a four-year tax credit, worth \$25 million, for music and theatrical productions in New York City.
- [*New York City Top Earners Face Highest Income Tax in U.S. Under Cuomo Proposal*](#), January 19
 - On January 19, Governor Cuomo proposed to raise New York's top income-tax rate by 2% as part of a \$193 billion FY 2022 budget proposal. If passed by the legislature, New Yorkers would pay a 10.82% marginal tax rate on income surpassing \$1.08 million.
 - As a result, New York City residents in the top income bracket would be subject to the highest local tax rate in the country at 14.7%.
 - The governor claimed that the tax increase would raise \$1.5 billion in tax revenue, but that the tax could be avoided if the Biden administration provides sufficient federal relief to the states. The Biden administration has [proposed](#) a \$1.9 trillion relief bill, which would include \$350 billion in relief for state and local governments.
 - Because the top 2% of earners in the state pay roughly half of the State's taxes, critics are concerned that the tax increase will further incentivize wealthy New Yorkers to leave the State, hindering the State's economic recovery in the process.
 - The proposal comes as the new Biden administration has [pledged](#) to increase the highest federal income-tax rate, which applies to personal income over \$400,000, from 37% to 39.6%. The Biden administration has also proposed to increase the corporate tax rate from 21% to 28% and tax capital gains greater than \$1 million at normal income tax rates.

New York City

- [*New York City COVID-19 Updates*](#), January 21
 - On January 19, Mayor de Blasio [said](#) that New York City had 92,000 first doses of the vaccine left, following a warning last week that the City would run out of vaccines by Friday of this week unless it received a new shipment of vaccines.
 - New York City school principals have [requested](#) that the City's Department of Education move the selective high-school admissions exam online due to the pandemic. They argue that if schools are not safe enough for in-person instruction, then they are not safe enough to administer the exam in person.

Other Related Updates

- [*Vaccines May be Less Effective Against Some SARS-CoV-2 Variants; Variants May Cause Re-Infection*](#), January 19
 - Early studies – which have not been peer reviewed – show vaccines may be effective against the U.K. SARS-CoV-2 variant, but may be [less](#) effective against emerging variants discovered in South Africa and Brazil. Those variants may also be able to re-infect survivors of prior COVID-19 infections.
 - South African scientists [reported](#) that in laboratory tests, serum (blood) samples from 21 of a group of 44 COVID-19 survivors did not destroy the new variant circulating there. Penny Moore, a South African virologist who led the study, explained the results “strongly, strongly suggest that several mutations we see in the South Africa variant are going to have a significant effect on the sensitivity of that virus to neutralization.”
 - A second [study](#) on the South Africa variant tested serum samples from 14 people who had received the Moderna vaccine, and six who had received the Pfizer/BioNTech vaccine. Researchers found that antibodies were less effective at defeating SARS-CoV-2 viruses engineered with three of the key mutations identified in the South Africa variant.
 - The new variant [discovered](#) in Brazil last week shares several key mutations with the South African variant.
 - Researchers noted that because the vaccines produce such a strong immune response in the body, vaccination will likely provide protection against serious illness even if they do not provide complete protection against infection.
 - In positive news, a new *in vitro* [study](#) provided additional data suggesting that the Pfizer/BioNTech vaccine is effective against the highly infectious variant that emerged in the U.K., and is now circulating in the United States.
 - Researchers tested whether serum from 16 adults aged 18-85 who had received two doses of the vaccine could neutralize engineered viruses with the U.K. variant mutations and a control strain of the Wuhan variant.
 - The study found “no biologically significant difference in neutralization activity against the two pseudoviruses,” and concluded it is “very unlikely that the U.K. variant viruses will escape” the vaccine’s protection.

- [Department of Labor Unemployment Insurance Weekly Claims Report](#), January 21
 - Department of Labor (DOL) reports that another 900,000 workers filed initial claims (seasonally adjusted) for unemployment benefits last week.
 - The number of new claims had trended downward since March, when nearly seven million people filed for unemployment insurance in a single week. However, claims began spiking again around December.
 - 423,734 new claims were filed for Pandemic Unemployment Assistance, the federal program intended to help freelancers, gig workers, the self-employed, and others not normally eligible for state jobless benefits.

- [Deadly U.S. Coronavirus Surge Has Peaked, Researchers Say](#), January 21
 - According to some experts, the coronavirus wave that caused a massive spike in cases through the fall and winter has finally reached its apex.
 - Johns Hopkins Epidemiologist Caitlin Rivers explained, “Based on current trends, the worst appears to be over. We are headed to a better place.” The University of Pennsylvania’s Dr. David Rubin similarly stated, “In most parts of the country, you’re seeing declining transmission.”
 - However, CDC is not ready to declare the wave has peaked. According to spokesman Jason McDonald, “CDC scientists would not be comfortable saying the outbreak has peaked until there have been several weeks of decline in newly reported cases.”
 - Even if the fall and winter surge has peaked, another wave remains possible, especially in light of multiple new virus variants that are more infectious and potentially less responsive to available treatments. Dean of Brown University’s School of Public Health Dr. Ashisha Jha warned, “I think [the possibility of another wave driven by new variants] is a really substantial threat. The experience from the U.K., Ireland, and other countries that have seen this is it can very quickly reverse all of the gains and make things dramatically worse. So I am very, very worried about this.”
 - Additionally, community transmission remains high in most states. Tens of thousands of people are still becoming infected each day.

- [Businesses Are Paying Workers to Get Vaccines](#), January 21
 - A growing number of businesses are paying their workers to get a COVID-19 vaccine.
 - This week, Aldi said it would give workers two hours of pay for each of the two vaccine doses and promised workers would not lose pay for missed work.
 - Trader Joe’s and Dollar General are also paying employees extra hourly wages to get vaccinated.
 - Instacart, an online grocery-delivery company, is offering a \$25 stipend for inoculations.
 - Employers can make vaccination mandatory for their workforces, but there are various protections and accommodations required by local, state and federal laws, such as the Americans with Disabilities Act and its relevant regulations (together, the “ADA”).

- [More than 16,000 Vaccine Doses Potentially Spoiled in Maine and Michigan by Temperature Problems](#), January 20
 - Temperature control issues during shipping have potentially spoiled 4,400 doses of Moderna’s vaccine in Maine and 12,000 doses of the same vaccine in Michigan.

- The news has prompted CDC, Moderna, and a distributor to investigate the source of the temperature issues.
- Transporting the Moderna and Pfizer vaccines is logistically challenging, because both must be kept at sub-freezing temperatures.
- These logistical challenges come as local health departments struggle to secure enough vaccines for eligible persons. Over the last few days, thousands have had their COVID-19 vaccination appointments [cancelled](#) because of dose shortages.
- [FDA COVID-19 Updates](#), January 19
 - FDA [updated](#) its Investigational COVID-19 Convalescent Plasma guidance, including recommendations regarding when individuals who have received either an authorized or trial COVID-19 vaccine qualify as convalescent plasma donors.
 - FDA entered into collaboration with the National Institute of Standards and Technology (NIST) through a [memorandum](#) of understanding to increase U.S. medical supply chain resilience through adoption of 21st century manufacturing technologies, including artificial intelligence and machine learning.

International Updates

- [China](#) fears another large-scale COVID-19 outbreak is on the horizon. On Thursday, Shanghai and Beijing, as well as the provinces of Hebei, Heilongjiang, Jilin, Shanxi, and Shandong, reported new infections. This week alone, the country has seen more than 400 local infections, a “steep and sudden increase.”
- As [Europe](#) braces for an increase in infections due to the circulation of a more contagious COVID-19 variant, some countries have imposed stricter mask mandates. Germany is requiring surgical-grade masks on public transportation, in offices, and in shops. France is likely to follow suit.

Other recent events covered in detail elsewhere:

- [Unexpected Uses of Personal Data in the Coronavirus Pandemic Continue](#), January 13
- [To Vaccinate or Not to Vaccinate – That is the Question, but Who Should Know the Answer?](#), January 13
- [Podcast: COVID-19: Pandemic Fundraising Insights and What Lies Ahead for Private Equity in 2021: Conversation with Tom Burger, Gridiron Capital](#), January 8
- [Podcast: COVID-19: End of Life Fund Issues](#), January 6

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