

Evening Update - Friday, February 5, 2021

The House is in session. The Senate is in recess.

Budget Reconciliation

- The budget resolution passed the Senate early this morning in a 51-50 vote, marking Vice President Harris' first tiebreaking vote.
 - A list of amendments that were passed as part of [the](#) marathon vote-a-rama. In total, 45 amendments out of the almost 900 submitted were considered. Of those, only 22 amendments were passed.
- The House passed the Senate approved budget resolution today 219-209, with Rep. Jared Golden (D-ME) voting alongside all Republican Members against the bill.
 - Rep. Golden issued a [statement](#) attributing his no-vote to concerns that a budget resolution will prevent the fast-tracking of \$20B requested by President Biden in his COVID-19 response plan to accelerate the production of COVID-19 vaccines.
 - Speaker Pelosi stated today that she is confident the pandemic legislation will clear Congress by White House's March 14 deadline, when current enhanced unemployment benefits would otherwise run out.

Congress

Senate

- In response to Sen. Amy Klobuchar's (D-MN) antitrust reform legislation that was introduced yesterday, Sen. Mike Lee (R-UT) announced that he would reintroduce legislation to remove antitrust enforcement authority from the Federal Trade Commission (FTC). Sen. Lee's legislation would instead give all enforcement authority to the Department of Justice.
- It is being reported that Sen. Ted Cruz (R-TX) has placed a hold on the confirmation of Gina Raimondo to be Secretary of Commerce. This is in response to a group of House Republicans [requesting](#) a delay in the confirmation process, citing concerns over Raimondo's approach to Huawei and whether she would uphold the sanctions placed on the company by the Trump Administration.
- Sen. Tina Smith (D-MN) announced that she will introduce legislation with Sen. Ben Ray Lujan (D-NM) to include a clean energy standard in a future infrastructure package. Sen. Smith highlighted the need to "keep all of the options that we have on the table to get this done, including reconciliation."
- Senate Environment and Public Works Committee Chairman Tom Carper (D-DE) outlined his climate and infrastructure priorities for this Congress, which include:
 - Confirming Michael Regan to be Administrator of the Environmental Protection Agency (EPA).
 - Addressing climate resiliency.
 - Creating electric vehicle charging stations.

- Retraining workers to gain in-demand skills.
 - Advancing climate, transportation, and wastewater infrastructure legislation with bipartisan support.
 - Addressing the issue of per- and polyfluoroalkyl substances (PFAS).
 - Building roads, highways, bridges, and transit.
 - Investing in clean drinking water and wastewater treatment.
 - Deploying broadband.
- Senate Energy and Natural Resources Committee Ranking Member John Barrasso (R-WY) sent a [letter](#) to Acting Interior Secretary Scott de la Vega questioning the implementation of President Biden’s moratorium on new oil and gas drilling leases on public lands.
 - The letter specifically asks the Department “to clarify the administration's orders, provide certainty to states and oil and gas producers, and ensure that the Biden administration is not treating New Mexico or Nevada more favorably than it is treating Wyoming or other states.”
- Senate Intelligence Committee Chairman Mark Warner (D-VA) and Sens. Amy Klobuchar (D-MN) and Mazie Hirono (D-HI) are set to introduce [legislation](#) to remove Section 230 protections for digital advertising and paid content. The bill would also clarify that Section 230 does not block online platforms from liability over civil rights violations, wrongful death, harassment, or cyberstalking.
 - Sen. Ron Wyden (D-OR) voiced his opposition to this bill, stating that it would effectively repeal Section 230 and negatively impact online commerce.
- Sens. Catherine Cortez Masto (D-NV) and Deb Fischer (R-NE) introduced the Promoting Digital Privacy Technologies Act ([S. 224](#)) to direct the National Science Foundation to support privacy enhancing technology research.
 - According to a [press release](#), the bill would also establish standards for privacy enhancing technology integration into public and private data use, furthering data analysis while ensuring personal privacy.
 - The House companion bill ([H.R. 847](#)) was introduced by Reps. Haley Stevens (D-MI) and Anthony Gonzalez (R-OH).
- Senate Homeland Security and Governmental Affairs Committee Chairman Gary Peters (D-MI) and a bipartisan group of six Senators introduced the Protecting Firefighters from Adverse Substances (PFAS) Act ([S. 231](#)) to require the Federal Emergency Management Agency (FEMA) to protect firefighters and emergency responders from per- and polyfluoroalkyl substances (PFAS).
 - As stated in a [press release](#), the bill would require FEMA to develop “best practices, training, and educational programs to reduce, limit and prevent exposure to PFAS.”
 - The bill passed the Senate during the 116th Congress.

- Sen. Chris Murphy (D-CT) introduced the College Athlete Economic Freedom Act ([S. 238](#)) to allow college athletes to receive compensation for use of their name, image, and likeness (NIL).
 - According to a [press release](#), the bill would prohibit “colleges, conferences, and the NCAA” from restricting the right to NIL compensation and establish enforcement mechanisms against violations. It would also allow college athletes to organize and obtain legal representation.
 - The House companion bill ([H.R. 850](#)) was introduced by Rep. Lori Trahan (D-MA).
- Sens. Tammy Duckworth (D-IL) and Mike Rounds (R-SD) introduced the Public Health Emergency (PHE) Production Act ([S. 266](#)) to direct the Department of Health and Human Services to fully utilize the Defense Production Act (DPA) to combat COVID-19.
 - As stated in a [press release](#), the bill would enhance the production of critical medical supplies, prioritizing federal contracts over private sector orders and ensuring fair distribution of DPA funds.
- Senate Finance Committee Chairman Ron Wyden (D-OR) and Sens. Jeff Merkley (D-OR), Dick Durbin (D-IL), and Patrick Leahy (D-VT) introduced a bill ([S. 249](#)) to eliminate the trade embargo on Cuba.
- Sen. Jack Reed (D-RI) introduced a bill ([S. 252](#)) to give states, tribal governments, and local communities additional funding to combat COVID-19.
- Sen. Rand Paul (R-KY) introduced a bill ([S. 232](#)) to create a discretionary spending limit for infrastructure funding.

House

- The House passed the National Apprenticeship Act today 247-173. The bill would create 1M new registered apprenticeships, youth apprenticeships, and pre-apprenticeships over 5 years.
- House Democrats, who met with the President at the White House this morning, said afterward that once the emergency relief is complete, the administration is eager to work on an economic recovery package focused on infrastructure. Rep. DeFazio, who was part of White House meeting, has indicated that the starting point for the Biden plan will be an infrastructure package the House passed last year, but he also said it would be more expansive.
- The House Advisory Group on Negotiations had its first meeting yesterday. The group is composed of Chairs and Ranking Members from House Committees with jurisdiction over issues impacted by trade agreements.
 - The meeting discussed individual member priority, with multiple members expressing their support to exclude Section 230 protections from future trade agreements.
- House Armed Services Committee Ranking Member Mike Rogers (R-AL) stated that his main goal is to ensure that there are “no cuts whatsoever to defense spending.” Instead, Rep. Rogers expressed his support for a 3-5% annual increase in defense spending.

- In contrast, new House Appropriations Subcommittee on Defense Chair Betty McCollum (D-MN) highlighted the need to “cut waste and stop subsidizing outdated and unnecessary programs and facilities.”
- Reps. Earl Blumenauer (D-OR) and Brian Fitzpatrick (R-PA) introduced a bill ([H.R. 793](#)) to authorize \$120B to create a Restaurant Revitalization Fund, which would provide restaurants with structured relief through stabilization grants.
 - A press release on a version of the bill introduced last Congress can be found [here](#).
- Rep. Earl Blumenauer (D-OR) and 28 other House Democrats introduced the National Climate Emergency Act ([H.R. 794](#)) to require President Biden to declare a national climate emergency.
 - According to a [press release](#), this declaration would spur “investments in large scale mitigation and resiliency projects, upgrades to public infrastructure, modernization of millions of buildings to cut pollution, investments in public health, protections for public lands, regenerative agriculture investments that support local and regional food systems, and more.”
- House Ways and Means Subcommittee on Select Revenue Measures Chairman Mike Thompson (D-CA) and 34 other House Democrats on the Ways and Means Committees introduced the Growing Renewable Energy and Efficiency Now (GREEN) Act ([H.R. 848](#)) to provide tax incentives to combat climate change.
 - As stated in a [press release](#), these tax incentives would aim to expand and deploy renewable energy and energy efficiency technologies to reduce greenhouse gas emissions. The same bill was introduced last Congress, but is being put forward again with Democrats now controlling both chambers of Congress and the White House.

COVID-19

- Secretary of Defense Lloyd Austin [issued](#) a mask mandate for all people on military installations and conducting official Department business outside their homes.
- Johnson & Johnson submitted its application for emergency use authorization from the Food and Drug Administration (FDA) for its single-dose COVID-19 vaccine. If approved, the vaccine could become available in limited numbers in late February or early March.
 - The FDA is currently developing new standards for COVID-19 vaccines, tests, and drugs in order to address the new variants, which is expected to be released in two to three weeks.
- Business advocacy groups are preparing to send a letter to Congress opposing any repeal of net operating loss relief in the next COVID-19 relief package. This benefit allows businesses to receive refunds by comparing their net operating losses to past income for an extended period of time.
 - Sen. Sheldon Whitehouse (D-RI) and Rep. Lloyd Doggett (D-TX) reintroduced legislation and wrote a [letter](#), which was signed by 118 other Congressional Democrats, to reduce net operating loss refunds.

Administration

- President Biden issued a [memorandum](#) entitled “Revitalizing America’s Foreign Policy and National Security Workforce, Institutions, and Partnerships.” The memorandum seeks to establish “a bold and sustained effort to revitalize and modernize the national security workforce, ensuring that it reflects the full diversity of the United States, and renewing and modernizing our national security institutions and partnerships.”
 - The memorandum specifically creates an interagency working group to facilitate workforce development in “as cyber, technology, and science, technology, engineering, and math.”
- Secretary of Transportation Pete Buttigieg held his first public event as Secretary today, during which he spoke to members of the rail and transit industries at Union Station in Washington, D.C. The Secretary largely discussed the public transportation mask mandate and the importance of additional relief for the transportation industry.
- The FTC and Department of Justice [announced](#) that they will end quick approvals of nonproblematic mergers and require all corporate deals to undergo a 30-day review. This applies to all mergers over \$92M.
 - Acting FTC Chair Rebecca Kelly Slaughter cited the increased number of merger filings and COVID-19. She indicated that the requirement would be temporary.
- In a speech at the State Department, President Biden stated that the U.S. “must lead” globally on climate change, explaining that his Administration is working on “integrating climate objectives across all of our diplomacy.”
 - President Biden also called for more ambitious U.S. climate goals in order to spur greater commitments from other countries.
- Following President Biden’s executive actions on climate change, the Department of Justice withdrew nine memoranda and policy documents from the Trump Administration. The documents concern the inclusion of supplemental environmental projects in settlement agreements, payments to third parties, and enforcement priorities.
- President Biden’s commitment to direct 40% of the \$2T spent on climate change to disadvantaged communities is facing challenges, as members of the Administration aim to issue recommendations for how to spend the money. Given the economic impacts of COVID-19 and the goal of environmental justice, there are concerns over which communities will receive the funds.
 - Head of Environmental Justice on the White House Council on Environmental Quality Cecilia Martinez said that the definitions of priority communities are still being determined.
- Heather Maloy was selected to lead the Internal Revenue Service’s (IRS) Taxpayer First Act Office. Maloy previously served in the IRS as Large Business and International Division Commissioner and Associate Chief Counsel.
- A group of over 100 public health experts sent a letter to the Senate Budget Committee and Homeland Security and Governmental Affairs Committee supporting the quick confirmation of Neera Tanden as Director of the Office of Management and Budget

(OMB). The letter commends Tanden as a “leading voice on public health issues.” The letter is attached.

- President Biden withdrew 32 outstanding nominations Trump had sent to the Senate in January, prior to leaving office. Among those withdrawn were the nomination of Judy Shelton to join the Federal Reserve’s Board of Governors, and Joseph Barloon to be a Judge on the U.S. Court of International Trade.
- Council of Economic Advisors member Jared Bernstein disagreed with the position of Larry Summers, former Treasury Secretary under President Clinton and Economic Adviser to President Obama, that President Biden’s COVID-19 relief plan includes too much economic stimulus. According to Summers, the economy will require a maximum of \$50B monthly, while President Biden’s plan provides \$150B monthly. Bernstein explained that the funding was much needed for people to help get folks back on their feet and to address the need for COVID relief.
 - Bernstein also countered Summers claim that this stimulus could lead to inflation and financial instability, hurting President Biden’s long-term policy agenda.

Other News

- Yoo Myung-hee withdrew her candidacy to be Director General of the World Trade Organization (WTO), likely allowing Ngozi Okonjo-Iweala to fill the position.
 - As a reminder, the Trump Administration previously supported Yoo, while the Biden Administration expressed its desire to quickly appoint a new Director General.
- The Department of Commerce found that the U.S. trade deficit increased to \$650B in 2020, reaching the highest level since 2008. During the four years of the Trump Administration the trade deficit rose by \$169B, though the trade deficit with China did decrease to \$315B in 2020.
- Customs and Border Protection (CBP) [recorded](#) \$74.4B collected in tariffs on imports during 2020, which was a 3.5% increase from 2019 and over twice the amount collected before the Trump Administration. CBP also processed over 100,000 steel and aluminum tariff exclusion requests.
 - Additionally, CBP found that imports into the U.S. worth less than \$800 increased by 28% during 2020. There was also a 219% rise in air cargo shipments and 123% rise in truck shipments.
 - During 2020, over 23M travelers into U.S. ports of entry had their faces scanned, including 8M people who crossed the border by foot. The Trusted Traveler Program experienced an additional 9.6M enrollments, despite temporary enrollment center closures.
- Land O’Lakes has agreed to sell 100,000 metric tons of carbon credits to Microsoft for \$20/ton. Corn, soybean, wheat, and cotton farmers will use precision farming data to determine the amount of carbon captured by soil.

Federal Register Notices

- The Department of Education requested comments on the extension of an information collection on Pell Grant Reporting under the Common Origination and Disbursement (COD) System. Comments are due by April 6. The notice can be found [here](#).
- The Federal Communications Commission (FCC) requested comments on metrics used to evaluate funding applications for the COVID-19 Telehealth Program. Comments can be submitted at any time. The notice can be found [here](#).
- The International Trade Commission requested comments on a complaint from Evolved Wireless on Certain LTE-Compliant Cellular Communication Devices and potential violations of Section 337 tariffs. Comments are due February 13. The notice can be found [here](#).
- The Memorandum “Maximizing Assistance From the Federal Emergency Management Agency To Respond to COVID-19,” which was signed by President Biden, was officially published in the Federal Register. The memo directs the Federal Emergency Management Agency (FEMA) to provide 100% federal cost share for eligible work through September 30. The notice can be found [here](#).
- The Small Business Administration (SBA) issued an interim final rule amending forgiveness and review of Paycheck Protection Program (PPP) loans, as stated in the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act. The notice can be found [here](#).
- The State Department announced meetings of the Overseas Security Advisory Council that will take place on February 23, June 8, and November 16. The meetings will discuss global threats, private sector security, and U.S. business information protection overseas. The notice can be found [here](#).
- The Department of Labor proposed to delay the effective date of the Independent Contractor Status Under the Fair Labor Standards Act rule to May 7. Comments must be submitted by February 24. The notice can be found [here](#).