



Tiber Creek Group SUMMER OUTLOOK

JUNE 2024

It would be hard to write a script more dramatic than the scene that played out on Thursday, May 30th, when the former president and presumptive Republican nominee for president stood in the hallway of a New York City courthouse, declared his innocence, and blamed the guilty verdict on all 34 charges on his Democratic competitor for the presidential election, who is also the current American president.

These are unusually testy times for an election – and it remains to be seen if cooler heads will indeed prevail, particularly at the presidential debate next month.

In other news, Senator Joe Manchin of West Virginia announced on Friday, May 31st, that he is changing his party affiliation from Democrat to Independent, ahead of a possible announcement in the coming weeks that he will run for the Senate or governor without a party label. Senator Bob Menendez of New Jersey also announced he would file as an Independent to seek reelection in the Senate. Menendez had previously said he would not seek the Democratic nomination for reelection after being indicted on federal bribery charges.

And in addition to all of that, Congress continues to wade through immediate legislative issues related to government funding, defense policy, and others, while also preparing for major policy debates at the end of 2024 and next year.

Things are rarely ever boring in Washington, and this year is certainly no exception. Read on for what is to come!

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MARK YOUR CALENDARS

June 27: First Presidential Debate

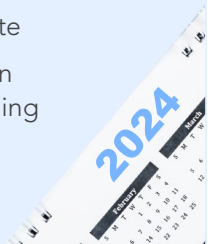
July 15-18: Republican National Convention

August 5-September 6: August Recess

August 19-22: Democratic National Convention

September 10: Second Presidential Debate

September 30: End of FY24 and Expiration of Government Funding, Farm Bill Continuing Resolution, and TANF & Related Programs Extension





5 UPDATES ON 2024 ELECTIONS

Those debates will certainly be interesting!

PRESIDENTIAL-CONGRESSIONAL ELECTION TIMELINE

- **June 11:** OH-06 Special Election
- **June 25:** CO-04 Special Election
- **June 27:** First Presidential Debate (CNN)
- **July 15-17:** Republican National Convention in Milwaukee, WI
- **August 19-22:** Democratic National Convention in Chicago, IL
- **September 10:** Second Presidential Debate (ABC)
- **September 18:** NJ-10 Special Election
- **November 5:** Election Day

1. **Biden-Trump debates are coming your way:** President Joe Biden and former President Donald Trump have agreed to debate one another. The agreement was reached after Biden's campaign announced he would not participate in the debates organized by the nonpartisan Commission on Presidential Debates, the same group that has led the process for more than three decades. The Biden campaign said the commission had scheduled the debates so late in the year that some Americans already will have voted. Trump's campaign voiced similar objections. Under the agreement, media outlets will directly organize the debates, with the first hosted by CNN on June 27th, and the second hosted by ABC on September 10th. Both CNN and ABC are requiring participants to have secured ballot access sufficient to claim 270 Electoral Votes and poll at 15 percent or higher in multiple national surveys.
2. **Presidential election fundraising is intensifying:** Democrats have a significant cash advantage in the presidential election, as Democratic incumbent Biden was able to lock in a joint fundraising agreement months before Trump, who had to campaign to become the official Republican presumptive nominee. Biden and the DNC started May with \$146 million in cash on hand, compared to the \$88 million held by Trump and the RNC. But Trump's fundraising numbers are improving – particularly after the former president's conviction in his hush money trial which supercharged contributions. The campaign announced on Friday, May 31st, it had raised nearly \$53 million in the hours following the verdict. Trump's campaign, with the Republican party and affiliated committees, had already raised \$76.2 million in April compared to the Biden team's report of \$51 million – but Trump has had to spend heavily on legal expenses, which contributes to Biden's substantial cash on hand advantage.



- 3. House special elections haven't produced surprises:** New York Democratic State Senator Tim Kennedy defeated Republican West Seneca Town Supervisor Gary Dickson in the special election on April 30th for New York's 26th District, a seat vacated earlier this year by Democrat Brian Higgins. Kennedy earned 68.6 percent of the vote in the district, which has twice as many registered Democrats as Republicans. Kennedy is also running to serve a full term, with a primary in June. California State Assemblyman Vince Fong (R) defeated Tulare County Sheriff Mike Boudreaux (R) in the special election runoff for California's 20th District, previously represented by former Speaker Kevin McCarthy. Fong will fill the seat until November but faces off with Boudreaux again in the general election. This special election shifted the balance of power in the House to 218 Republicans and 213 Democrats, with four vacant seats.

Coming Up: Special Elections for Republican Seats

June 11: Ohio's 6th District

June 25: Colorado's 4th District

Special election has not been scheduled – and is not anticipated to be – in Wisconsin (Gallagher).

- 4. Vice President speculation heats up:** Names that have come up as possible running mates for Trump include Sens. Tim Scott (R-SC), J.D. Vance (R-OH), Marco Rubio (R-FL), Tom Cotton (R-AR), Reps. Elise Stefanik (R-NY) and Byron Donalds (R-FL), and North Dakota Governor Doug Burgum. Trump has said he intends to announce his pick shortly before the Republican National Convention, which starts on July 15th.
- 5. Third party ballot access is confusing:** Ballot access for third party and Independent presidential candidates is a state-by-state process, with each state having unique election laws and processes to qualify. Some states have rules against people coming in from out of state to help procure signatures, others have rules restricting a campaign's ability to hire paid canvassers instead of relying on volunteers. Some states have short windows in which to gather signatures, others allow for months-long efforts. As of June 4th, Independent candidate Robert F. Kennedy Jr. is on the ballot in California, Utah, Oklahoma, Michigan, Hawaii, and Delaware, with pending decisions in an additional eight states. The Green Party, led by candidate Jill Stein, is on the ballot in 18 states, including swing states Arizona, Wisconsin, Michigan, and North Carolina. Independent candidate Cornel West is only eligible in Oregon, Colorado, Alaska, and South Carolina.

4 ITEMS IN APPROPRIATIONS

New Chairman, same Freedom Caucus



House process is well underway: Under the leadership of new Chairman Tom Cole (R-OK), the House Appropriations Committee is off to a quick start with the completion of six subcommittee markups; one full committee mark up; and passage of the Military Construction and Veterans Affairs Appropriations bill on the House floor.

In early spring, House GOP leadership instructed the Committee that they should complete their work – passing all 12 bills through Committee and off the floor – by the end of July. The ambitious schedule is likely to hit snags, not unlike in FY24.

There are two fundamental problems with the House process: 1) Three Freedom Caucus Members who serve on the Rules Committee will continue to make it difficult for appropriations bills to move to the floor; and 2) In order to try to appease the three Freedom Caucus Rules Members, appropriators will attempt to write spending bills which include partisan riders and unrealistically low funding levels for unpopular federal agencies.



Senate details still to come: Senate Appropriations Committee Chair Patty Murray (D-WA) has pledged swift action in moving bills to the floor, but the Committee has yet to release allocations or a potential schedule. House Appropriations Chairman Cole has brought transparency to the House's funding levels and appropriations calendar, which pressures Chair Murray and Senate Majority Leader Chuck Schumer (D-NY) to prioritize the annual spending bills.



Spending levels: The House and Senate seem to be repeating their FY24 overall funding intentions, with the House boosting FY25 defense programs by \$9 billion (6 percent) and decreasing non-defense programs by about \$67 billion (6 percent), cutting three bills by 10-11 percent each (Labor, Health and Human Services; Financial Services and State; Foreign Operations). Chair Murray has called for parity in defense and non-defense increases but she has not unveiled the specific Senate funding levels.



Likely next steps: The House will likely try to move most of its appropriations bills – including the proactive policy riders – in July. In August, House and Senate appropriators will begin constructing a continuing resolution (CR). In mid-September, the House will pass the CR, leaving at least a week of 'padding' to avoid a government shutdown on October 1st.

CONGRESSIONAL REVIEW ACT 101

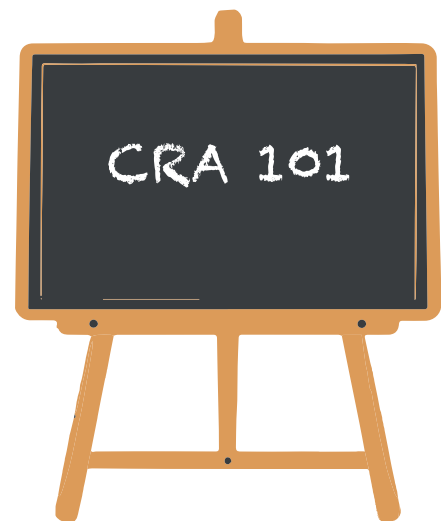
Read on to become a CRA expert.

What it is: The Congressional Review Act (CRA) (5 U.S.C. §§801-808) is a tool Congress can use to overturn certain federal agency actions. It is a special parliamentary mechanism whereby Congress can, by enacting a joint resolution of disapproval into law, overturn an agency rule.

How it works: Upon receipt of the rule by Congress, Members of Congress have 60 days of continuous sessions during which to submit and act on a joint resolution of disapproval overturning the rule. If a CRA joint resolution of disapproval is passed by both chambers of Congress and signed by the president, or if Congress overrides a presidential veto, the agency rule will be overturned or prevented from going into effect.

The lookback provision: If a rule is submitted to Congress within the 60 days before adjournment, the CRA's lookback provision allows the next session of Congress to have a new period of congressional review. Based on current congressional calendars, agency rules that were submitted to Congress by May 22nd are not subject to CRA review by the next Congress. It is important to note the House and Senate may each cancel or add days to their legislative calendar right up until adjournment, making it difficult to determine the exact CRA deadline. The lookback period starts on the date that is 60 days before adjournment, regardless of which chamber reaches that threshold first.

CRA tracker: Tiber Creek Group is continually updating our tracker of CRAs introduced in the 118th Congress – view them [here](#).



3 NEED-TO-KNOWS: NATIONAL DEFENSE AUTHORIZATION ACT (NDAA)

The bill was passed out of committee in the House, action to come in the Senate

- ✓ **House bill was passed by the House Armed Services Committee:** After a process that included nearly 700 amendments, the House Armed Services Committee passed the 2025 NDAA by a vote of 57-1.
- ✓ **What's in the House bill:** The Service Member Quality of Life Improvement Act and NDAA authorizes nearly \$850 billion for the Department of Defense, consistent with the spending cap agreed to in last year's debt ceiling negotiation. The legislation authorizes a 19.5 percent pay raise for junior enlisted service members and a 4.5 percent pay raise for all other service members, and authorizes nearly \$20 billion for military construction projects including service-member housing. In addition to the Service Member Quality of Life increases, the bill makes significant investments in research and development, tactical and land force capabilities, and shipbuilding with the restored funding of a second Virginia class submarine. Among other provisions, the House bill included an amendment to study the creation of a U.S. Cyber Force, delaying the retirement of several aircraft while cutting funding to others.
- ✓ **Action now turns to the Senate:** The Senate Armed Services Committee has scheduled their markup to begin for June 12th. The Committee has not yet released their bill; committee markups, and most subcommittee markups, are typically conducted in closed session.

The NDAA continues to be a magnet for unrelated policy priorities due to its track record of passage. Armed Services Committee Chairs and Ranking Members, along with leadership, will look to limit contentious riders and political minefields in an election year to help ensure the bill passes for the 64th consecutive year.

5 FACTS ON IMMIGRATION

Don't hold your breath if you're looking for action before November

- 1 While the number of people crossing the southern border has stabilized for the time being, border security remains a top concern for voters and a political vulnerability for President Joe Biden and Democrats. As a result, we are seeing continued efforts by both parties to advance their preferred political narrative.

On May 4, President Biden announced executive actions aimed at securing the border. (A Q&A on the Biden announcement from the National Immigration Forum can be found [here](#).)

- 2 The centerpiece of the Biden announcement is a prohibition on access to the asylum system for migrants crossing between ports of entry when border crossing numbers are high. Biden is relying on the same authorities President Trump broadly utilized to suspend the entrance of certain noncitizens, policies commonly known as the "Muslim ban" or "travel ban." The ACLU promptly announced its intention to block the implementation of the Biden policies in court. The Biden border security policies have been met with criticism from Republicans and progressive Democrats. Republicans argue the executive actions are too little, too late. Progressive Democrats and the Congressional Hispanic Caucus view the border enforcement-only policies as undermining the right to seek asylum in the United States and lament the failure to include positive action for long-term undocumented migrants.
- 3 In the Senate, Majority Leader Chuck Schumer (D-NY) pushed another failed vote on the bipartisan border security deal crafted by Sens. Chris Murphy (D-CT), Kyrsten Sinema (I-AZ), and James Lankford (R-OK) earlier this spring. This time, even Sens. Lankford and Sinema voted against proceeding to their own bill. They viewed Schumer's move as purely political and not aimed at advancing policy solutions.
- 4 In the House, GOP leadership continues to push legislation aimed at prohibiting non-citizens from voting and enhancing penalties for migrants who commit crimes.
- 5 We anticipate no substantive movement on immigration until after the November elections.

5 UPDATES ON ENERGY AND CLIMATE

From tariffs to IRA implementation

Clean energy transition through tariffs: On May 14th, the U.S. Trade Representative (USTR) [announced increased Section 301 tariffs](#) on a variety of Chinese imports, including electric vehicles (EVs), batteries, battery components, critical minerals, and solar cells. On May 22nd, USTR released the [full rule and guidance](#). The notice establishes a 30-day period for public comment on potential exclusions for manufacturing equipment used in the U.S.

Federal Energy Regulatory Commission (FERC) aims to make building transmission easier: On May 13th, the FERC approved, by a 2-1 vote, [Order 1920](#) – its final rule on regional transmission planning and cost allocation, requiring operators to conduct and update long-term planning over a period of 20 years to better anticipate energy needs and include cost allocation methods for Long-Term Regional Transmission Facilities in their filings.

Permitting reform still a priority for some in Congress: Sens. Joe Manchin (I-WV) and John Hickenlooper (D-CO), Rep. Scott Peters (D-CA), and [the New Democrat Coalition](#) do not believe that FERC's actions absolve Congress of the need to tackle broader permitting reform. A bipartisan proposal has proven elusive, but Sens. Manchin and John Barrasso (R-WY) hope to release a framework soon. We will be monitoring this closely throughout the summer.

See TCG's coverage of the May 21st Senate Energy and Natural Resources hearing [here](#), where Senators discussed FERC's rule and permitting reform.

Agencies implementing the Inflation Reduction Act (IRA): Several agencies have had a busy spring as they continue implementation of the IRA.

- The Environmental Protection Agency (EPA) [announced](#) its first awards – totaling \$14 billion – through the Greenhouse Gas Reduction Fund. See TCG's breakdown of the awards [here](#).
- The Department of Energy (DOE) [released a preliminary list](#) of 10 potential National Interest Electric Transmission Corridors (NIETCs).
- The Internal Revenue Service (IRS), Department of Treasury, and DOE [released guidance](#) on IRA tax credits and clean vehicle provisions.
- The United States Department of Agriculture (USDA) [announced funding](#) for conservation and climate-smart agriculture.
- The Department of the Interior (DOI) announced a final rule to revise the Bureau of Land Management's (BLM) oil and gas leasing regulations while BLM published its final Renewable Energy Rule.

ENERGY UPDATE



As a reminder, you can find our [Energy and Environment Funding Tracker here](#).

Summer Legislative Push

Farm Bill: There are significant differences between the draft five-year re-authorizations released by the House and Senate Agriculture Committees, so we expect extensive negotiations, which may require Congress to pass another extension before the current one expires on September 30th. See TCG's chart comparing the two proposed bills [here](#).

Appropriations: The Agriculture, Rural Development, and Food and Drug Administration (FDA) Subcommittee will mark up its bill on June 11th, with full committee markup planned for July 10th; the Interior and Environment and Energy and Water Subcommittees will hold their markups on June 28th, with full committee markups planned for July 9th.

Congressional Review Act: CRA Resolutions have been filed to nullify emissions standards for light and medium-duty vehicles, principles for climate-related risk management for large financial institutions, and rules surrounding emissions from the oil and gas industry. We will be watching for more votes to unwind final rulemakings as the summer continues.



6 THINGS TO WATCH OUT FOR IN CYBERSECURITY

Cyber strategy, cyber breaches, and more

On May 7th, the Office of the National Cyber Director (ONCD) released [Version 2](#) of the National Cyber Security Strategy Implementation Plan. Priorities for Version 2 include providing direct support to the healthcare and water sectors and making sure the sector risk management agencies get appropriate funding from Congress.

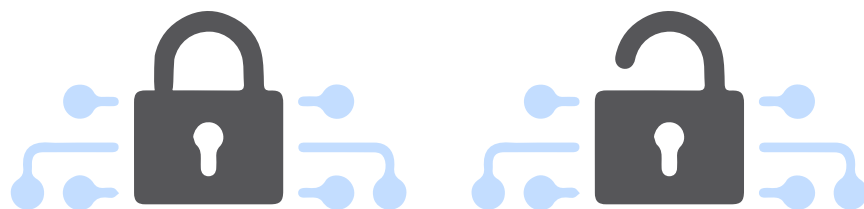
The ONCD also released a [2024 Report](#) on the Cybersecurity Posture of the United States. The Cybersecurity and Infrastructure Security Agency (CISA) has announced it plans to unveil an international cyber strategy. As a reminder, the State Department launched their [United States' International Cyberspace and Digital Policy Strategy: Towards an Innovative, Secure, and Rights-Respecting Digital Future](#) earlier this month. This international plan will further advance the White House National Cybersecurity Plan from 2023.

The Cyber Incident Reporting for Critical Infrastructure Act of 2022 (CIRCIA) is still in an open comment period until July 3rd. CISA extended the comment period by 30 days. You may find the Federal Register notification [here](#).

Given the recent smattering of cyber breaches on the healthcare sector, legislation is expected to be drafted and marked up in committees of jurisdiction. Keep an eye out for an end-of-year vehicle on which the legislation can ride.

The water sector continues to be a focus and ripe for a cyberattack. Congress is continuing to monitor the Environmental Protection Agency's work in this space.

Other key pieces of legislation to watch; the National Defense Authorization Act (NDAA), which is typically packed with cyber related provisions – please see section on NDAA in memo; Congressman Eric Swalwell (D-CA) has legislation on the Joint Cyber Defense Collaborative (JCDC), and there is also legislation pertaining to codifying the Cyber Safety Review Board (CRSB) - neither of these bills are likely to move this Congress but there will be multiple conversations on each piece of legislation in the coming weeks. However, in July the House Homeland Security Committee will hold a markup of cyber-related bills and it is widely expected there will be some cyber workforce bills on the agenda – a priority for both Full Committee Chairman Mark Green (R-TN) and the Cybersecurity and Infrastructure Protection Subcommittee Chairman Andrew Garbarino (R-NY).



4 FACTS ON FINANCIAL SERVICES

Lots to watch for at federal agencies

1 FDIC Chair to step down

Federal Deposit Insurance Corporation (FDIC) Chairman Marty Gruenberg announced May 20th he would “step down from [his] responsibilities once a successor is confirmed.” Gruenberg was pressured to resign after the May 7th release by the Special Review Committee of the FDIC Board of Directors of findings from an independent, third-party investigation that outlined a toxic workplace culture, misconduct, and mismanagement at the agency. The White House has said it will “soon put forward a new nominee for FDIC Chair” to replace Gruenberg, who has played a key role in banking regulation and oversight. Expect the nominee to face an uphill battle in this election year – meaning Gruenberg will serve as Chair for the foreseeable future.

2 Timeline on Basel III is unclear

A recent Bloomberg news story suggested that a revamped proposal could be released in August, but the Federal Reserve Board (Fed) and other regulators made it clear they “have made no decisions on timing, process, or substance” of the proposal. A subsequent Wall Street Journal story reported regulators are not likely to finalize the proposal until the end of the year. House Financial Services Committee Chairman Patrick McHenry (R-NC) and 28 other Republicans have urged the Fed to withdraw its proposal over concerns of a lack of “rigorous quantitative analysis,” and a number of stakeholders highlighted concerns regarding transparency, saying the Fed’s “reliance on non-public information violates clear requirements under the Administrative Procedure Act (APA).”

3 Durbin-Marshall Amendment fails in procedural vote

The Senate defeated a procedural motion that would have made it possible to bring the Credit Card Competition Act (CCCA) to a vote. We expect Sen. Roger Marshall (R-KS) to continue to attempt to force a vote on CCCA for the rest of the Congressional session.

4 Spotlight on the Securities and Exchange Commission (SEC)

The House Financial Services Committee has continued its oversight of the SEC, particularly its onslaught of rulemakings and potential circumvention of the Administrative Procedures Act. Since the beginning of the year, the Committee has held four hearings on the SEC, examining the rulemakings and the agency’s approach to cost/benefit analysis. The Committee also recently brought to the House floor H.J.Res.109, a Congressional Review Act (CRA) disapproving the SEC’s rule relating to Staff Accounting Bulletin (SAB) 121, which would require listed companies to carry crypto assets on their balance sheets. The House Financial Services Committee also recently marked up H.J. Res. 100, providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the SEC relating to “Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure.” The Committee is expected to maintain its focus on the SEC and its Chair Gary Gensler for the remainder of the year.



WHAT'S HOT — OR NOT — IN TAX POLICY

The latest on two major bills

NOT:

Smith-Wyden: Despite its 357-70 vote in the House, the Smith-Wyden tax bill – from House Ways and Means Chairman Jason Smith (R-MO) and Senate Finance Chairman Ron Wyden (D-OR) – has languished in the Senate since January. The legislation would extend key business provisions from the Tax Cuts & Jobs Act (TCJA) – bonus depreciation, interest expensing, and research & development – as well as revitalize the Child Tax Credit and the Low-Income Housing Tax Credit. Senate Republicans have myriad concerns with the bill – ranging from process to policy to politics – and it's safe to say that while Majority Leader Schumer may still schedule a vote on the bill, there are not 60 votes in support of advancing it at this time. So, let's move on. (Congress certainly has.)

HOT:

TCJA 2.0: Last month, Smith announced the creation of 10 tax teams made up of Republicans focused on selling not only the American public but also their colleagues in Congress on extending TCJA ahead of December 31st, 2025, when the bulk of the individual provisions expire. Senate Finance Committee Ranking Member Mike Crapo (R-ID) assigned similar working groups in the Senate. Much of the tax teams' work will take place in districts, mirroring the field hearing series Smith led ahead of releasing the Smith-Wyden bill.

Smith has indicated a willingness to offset some or all of the future package. In recent statements, Smith has cautioned the business community there is support in Congress for increasing the corporate rate from 21 percent to 25 percent (which could raise nearly half a trillion dollars), and presumably much of the remaining savings would come from repealing and/or reforming the Inflation Reduction Act (IRA), extending the State and Local Tax (SALT) cap, and perhaps re-examining elements of the Affordable Care Act.

BIDEN VS. TCJA:

For his part, President Joe Biden noted in a social media post on April 23rd (the day before the tax teams were announced): "That tax cut [TCJA] is going to expire. If I'm re-elected, it's going to stay expired." Such statements portend either a kicking of the can post-election in a divided government or Republicans would have to pass something using Budget Reconciliation.

UPDATE ON HEALTHCARE

Comprehensive package may be coming ... or maybe not.

Without any immediate healthcare deadlines looming, Congress has begun to lay the groundwork for longer-term projects around issues like physician payment reform while also preparing for another run at a comprehensive healthcare package at the end of the year.

Possible package: Expiring programs, policy extensions, and reauthorizations will serve as the basis for a healthcare package likely to come together during the post-election “lame duck” session. With COVID-era telehealth flexibilities set to expire in December 2024, healthcare committees in both chambers have worked to advance legislation to extend telehealth and other provider flexibilities beyond 2024. Additionally, the recent healthcare deal in March only extended policies for community health centers, a Medicaid Disproportionate Share Hospital (DSH) delay, physician payment increases, and other issues until the end of the year. Congress also still needs to extend reauthorizations of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act and the Pandemic All-Hazards Preparedness Reauthorization Act (PAHPA). Lawmakers will likely look to policies in the House-passed Lower Costs, More Transparency Act (H.R. 5378) impacting hospitals, insurers, and pharmacy benefit managers (PBMs) to help offset the cost of these extensions and reauthorizations.

PBM transparency and reporting still a bipartisan priority: Lawmakers are hoping to include provisions from the Lower Costs, More Transparency Act in a year-end package, but they may try to go further – the House Ways and Means and Energy & Commerce (E&C) Committees also recently marked up legislation which would delink PBM compensation from the price of drugs in Medicare Part D and instead require a flat fee. Delinking provisions have already advanced through the Senate Finance Committee. Most of the focus has been on PBM changes in Medicare and Medicaid, but some Members continue to push for extending new requirements to the commercial market.

Pharmaceutical manufacturers’ role in drug costs top of mind for Congress: Lawmakers on the Senate Judiciary Committee have reviewed drug patent reforms in conjunction with the Senate Finance Committee’s advancement of the Affordable Prescription for Patients Act (S. 150), which would prohibit product hopping, patent thickets, and other alleged exclusivity delays. Congressional Democrats and the Biden Administration are also taking a closer look at how federally funded research and the cost of drug development could trigger the use of “march-in rights,” a tool the federal government could use to set prices directly for certain drugs.

Possible action in the coming months limiting pharmaceutical companies’ ties to Chinese-related businesses: Oversight committees in both the House and Senate have advanced versions of the BIOSECURE Act, which prohibits federal agencies from procuring biotechnology equipment or services from certain companies of concern or subcontractors like those with ties to the Chinese Communist Party (CCP). Lawmakers are looking to the National Defense Authorization Act (NDAA) as a potential legislative vehicle for the updated version (H.R. 8333) of the BIOSECURE Act that was recently advanced out of the House Oversight and Accountability Committee. Broader supply chain concerns are also a target for the Senate Finance and E&C Committees, both of which have released proposals to address drug shortages.



UPDATE ON

HEALTHCARE

Sweeping changes considered for the Medicare Access and CHIP Reauthorization

Act (MACRA): The House and Senate have begun to solicit feedback on physician payment reform ideas. While these broader policy changes will likely slip to 2025, policymakers are looking for smaller changes which could accompany an end-of-year health package, such as reforms to the Centers for Medicare and Medicaid Services (CMS) Innovation Center and addressing the Advanced Alternative Payment Model (APM) bonuses.

Bipartisan areas of interest this summer: Both chambers are likely to pay bipartisan attention to rural health, consolidation, mental health, and artificial intelligence (AI), among other issues. While all eyes will be on an end-of-the year healthcare deal, election outcomes may impact lawmakers' ability to reach bipartisan, bicameral consensus. Stakeholder engagement at the member and committee level will be crucial through the summer months to ensure respective priorities are at the forefront of conversations when the lame duck period begins.



TOP NEWS IN TRADE POLICY

China continues to be the focus

Tariffs: As explained in the energy section above, the Biden Administration's U.S. Trade Representative (USTR) [issued its long-anticipated findings](#) on Section 301 tariffs on Chinese goods. The Administration made several key determinations, including:

- Existing Section 301 tariffs will remain in place.
- USTR will increase tariffs for certain products in key sectors to "help encourage the elimination of investigated technology transfer-related acts, policies, and practices by encouraging alternative sourcing." These sectors include battery parts; electric vehicles; semiconductors; solar cells; steel and aluminum; ship to shore cranes; and certain medical equipment such as facemasks, medical gloves, and syringes and needles; among others.
- USTR will establish an exclusions process for certain domestic manufacturing equipment, with an emphasis placed on solar manufacturing equipment.

The Administration is expected to release additional details on its Section 301 actions in the coming weeks, including a timeline for implementation, a public notice and comment process, and an exclusions process.

Other action aimed at China: In the past few weeks, USTR initiated [a new Section 301 investigation](#) into Chinese practices targeting the maritime, logistics, and shipbuilding sectors; Commerce [initiated a new anti-dumping/countervailing duty investigation](#) into solar imports from what the petitioners argue are Chinese-backed companies operating in Malaysia, Vietnam, Cambodia, and Thailand; and the White House [ended the solar bifacial module exclusion](#) under Section 201. As the 2024 general election approaches and "tough on China" rhetoric ramps up on the campaign trail, additional China-related actions are likely.

Forced labor in focus: The Uyghur Forced Labor Prevention Act (UFLPA) and forced labor will continue to be a focus this summer. On May 16th, [the Department of Homeland Security \(DHS\) added 26 Chinese textile companies to its entity list](#), alleging the companies source cotton from Xinjiang. This followed an April 5th update from DHS outlining an ["enhanced strategy"](#) to expand the entity list and more robustly enforce forced labor violations.

Congress also looking at China: Senate Finance Committee Chairman Ron Wyden (D-OR) has raised concerns related to [forced labor violations in the automotive sector](#) and the Senate Finance Trade Subcommittee recently held a hearing to evaluate trade enforcement and entry of merchandise at U.S. ports.

The China Select Committee is expected to continue its oversight work in the coming months, including [evaluating investments by U.S. financial institutions into China, potential threats posed by Chinese biotechnology, China's role in the fentanyl crisis, and threats posed by China's Belt and Road initiative](#).

Update on House action: The House Ways and Means Committee in April advanced on a party-line basis several [trade-related bills](#) that could be offered as amendments to the National Defense Authorization Act (NDAA) or other moving vehicles in the lame duck. The bills would:

- Eliminate the \$800 de minimis threshold for any products subject to trade enforcement tariffs
- Reauthorize the Generalized System of Preferences (GSP) program
- Clarify the Administration's "critical minerals agreements" with countries such as Japan do not constitute "free trade agreements" for the purposes of electric vehicle tax credit eligibility

ALL YOU NEED TO KNOW ABOUT TECHNOLOGY, ARTIFICIAL INTELLIGENCE (AI), & ANTITRUST

Catch up on the spring, look ahead to the summer



Catching up: There was a flurry of activity in the tech and antitrust world this spring on the Hill, in the courts, and in the Administration. Congress passed a law forcing TikTok’s Chinese owners to divest ownership of company; the Senate AI Working Group released its long-awaited framework; a House Energy & Commerce (E&C) subcommittee reported out legislation creating a national privacy standard, as well as one for children’s privacy; the first significant AI bills were reported out of committee; the Department of Justice (DOJ) sued Apple for antitrust violations; the trial for one of the Administration’s antitrust cases against Google ended; and the long-awaited DOJ case to break up Ticketmaster/Live Nation was filed.

Looking ahead: Both the national privacy and children’s privacy legislation are in process at House Energy & Commerce. The legislation was passed by an E&C Subcommittee, and it’s expected to be reported out by the full committee. That said, it is hard to envision a scenario in which it is considered on the House floor.

The Kids Online Safety Act (KOSA), one of the two major children’s privacy bills, has almost 70 cosponsors. It also has a strong and energetic lobby of parents whose children have been victims of online abuse. The supporters of the bill are working

feverishly to reach some type of agreement to limit amendments and time for debate. The other option would be to secure commitments from 60 Senators to agree to vote for cloture even if Majority Leader Chuck Schumer (D-NY) fills the amendment tree. Neither option is easy, but with 70 cosponsors and passionate advocacy, anything is possible.

AI action: There is little chance that any AI legislation will advance beyond committees if they even get that far. This includes the AI bills related to election integrity that were reported out of the Senate Rules Committee. That said, it’s possible some legislation related to AI could be added to the National Defense Authorization Act (NDAA).

Antitrust update: There do not appear to be any big name antitrust cases waiting to be filed. However, we expect the judge in the Google case will render a decision. We also expect the DOJ and Federal Trade Commission (FTC) to continue filing lower profile cases. More importantly, we expect antitrust regulators to continue processing significant rulemakings.

While politics captures everyone’s attention – both because it’s election year and because the leading Republican candidate was just convicted in a jury trial – Congress and federal agencies will still be working away at policies and rulemakings large and small, and your team at Tiber Creek Group will be paying close attention to all of it.

If you have questions on any of these issues, please don’t hesitate to contact any one of us.

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