

## Washington Update

December 6, 2024

### This Week In Washington

**Senate:** The Senate confirmed several nominations.

**House:** The House passed the Prove it Act of 2024 ([H.R.7198](#)).

**Biden Administration:** On December 3, President Biden [announced](#) over \$560 million in new funding for infrastructure projects along the Lobito Trans-Africa Corridor. The investments will go to new and continuing transportation and logistics, agriculture, clean energy and associated supply chains, health, and digital access projects that support the economic potential and development impacts of the Corridor.

### Next Week In Washington

**Senate:** The Senate will reconvene on Monday, December 9 and is expected to continue processing nominations.

**House:** The House will reconvene on Monday, December 9 and is expected to consider the Liberty in Laundry Act ([H.R.7673](#)) and the Judicial Understaffing Delays Getting Emergencies Solved Act of 2024 ([S.4199](#)). The House could also take further action on the National Defense Authorization Act (NDAA).

## TAX

### **CBO Reports \$1.5T in Additional Revenue post-TCJA, and Tax Cut Expiration Would Eventually Boost Growth**

#### *Key Points:*

- *CBO has concluded that federal revenues increased by \$1.5 trillion more than expected after the TCJA was enacted, although the majority can be attributed to factors like inflation and tariffs.*
- *In addition, it has estimated that allowing TCJA provisions to expire in 2026 would initially reduce U.S. GDP but ultimately lead to economic growth in 2034, although by a smaller amount then.*

On December 4, the Congressional Budget Office (CBO) [reported](#) it had estimated the expiration of multiple tax provisions within the Tax Cuts and Jobs Act (TCJA) ([P.L. 115-97](#)) could eventually boost economic growth. The office [estimates](#) that allowing individual income tax provisions to expire would reduce the labor in the workforce as higher rates would resume, leading to a GDP reduction of approximately 0.3 percent by 2028. However, it also projects that the decreased quantity of borrowing from the federal government would increase the available funds for private investments and lower household and business borrowing rates, providing additional boons to the economy. As such, the CBO predicts the combined effect could boost the economy by 0.1 percent by 2034.

In addition, CBO reported that revenues grew by \$1.5 trillion more than originally forecast before the TCJA was enacted. Yet, the office reported that \$900 billion of the increase could be attributed to inflation starting in 2021, with an additional \$250 billion coming from tariff increases. Further, additional revenue raised by tax collection has come from individual income tax rather than corporate tax.

### **House Ways and Means Chairman Jason Smith Criticizes Senator Thune's Plan to Separate TCJA Extensions from Spending and Immigration Reforms in Reconciliation**

#### *Key Points:*

- *House Ways and Means Chairman Jason Smith (R-MO) has criticized Senator Thune's plan to push back consideration of major tax legislation in a second reconciliation bill until after a planned first reconciliation package focused on spending in areas like defense and immigration.*

- *House Budget Chairman Arrington (R-TX) also suggested he is opposed to the tactical approach of two bills.*

On December 4, House Ways and Means Chairman Jason Smith (R-MO) criticized a plan by incoming Senate Majority Leader Thune (R-SD) for extending key expiring TCJA provisions. There have been some suggestions that the plan is being driven by advisors in the incoming Trump White House seeking early wins on some key Trump issues. Specifically, Chairman Smith has questioned the plan to only consider major tax legislation once a first reconciliation bill is passed focused on President-elect Trump's topline issues of border security and energy policy. The Chairman has stated failing to include tax-related legislation in an initial reconciliation package runs the risk of not being able to accomplish the bill in a second reconciliation package which would be a Republican-only approach.

That outcome would necessitate coordinating with Democrats to pass a tax package and lead to a much different result with potential rate increase on corporations and some individuals a likely goal of Democrats. Representative Hern (R-OK), a member of House Ways and Means and the party's incoming policy chair, has also expressed confusion about the plan among Senate Republican leadership to separate tax legislation from the first planned reconciliation package. The narrow margins of the 119<sup>th</sup> Congress may jeopardize the likelihood of any package being enacted. The plan has been pushed by the incoming Trump Administration, with Senator Thune's team stating that President-elect Trump and Speaker of the House Johnson (R-LA) were fully apprised of the plan. House Republican leadership has focused on discussing reconciliation plans with its members this week, with Speaker Johnson meeting with Senator Thune as well.

*For more information about tax issues, you may [email](#) or call Christopher Hatcher at 202-659-8201. Noah Hawkins contributed to this section.*

## **FINANCIAL SERVICES**

### **House Financial Services Committee Holds Hearing on the Innovation Revolution**

#### *Key Points:*

- *Members on both sides of the aisle expressed concerns about data privacy and protection in a growing technological age, specifically focusing on citizens' sensitive data.*
- *Many emphasized the importance of U.S. leadership globally in technological innovation within the financial services sector through blockchain technology and cryptocurrency.*

On December 4, the House Financial Services Committee held a hearing entitled, "Innovation Revolution: How Technology is Shaping the Future of Finance." Chairman Patrick McHenry (R-NC) noted America is falling behind Europe in technological invention, innovation, adoption, and laws. He noted constraining numerous regulatory requirements led to the death of numerous Initial Public Offerings (IPOs), resulting in fewer choices in investment portfolios. He stated the Expanding Access to Capital Act ([H.R. 2799](#)) helped revolutionize technology to aid Americans' participation in the financial system through democratizing systems, lowering costs, and reducing friction. He noted the SEC's regulation by enforcement agenda and the lack of a clear set of rules pushed digital assets overseas. He said the House of Representatives passed the Financial Innovation and Technology for the 21<sup>st</sup> Century (FIT 21) Act ([H.R. 4763](#)) to provide a clear regulatory framework and consumer protections. He stated financial institutions are utilizing innovative and developing technologies to expand access to credit and increase efficiency across their platforms. He stated he worked with Ranking Member Maxine Waters (D-CA) to form a House AI working group to introduce bills acknowledging the growing AI sector in financial services and housing industries.

Ranking Member Maxine Waters (D-CA) said Committee's collaboration has fostered several bills and programs, including an emergency rental assistance program keeping many families in homes across the country during the pandemic and investments in community development, financial institutions, and minority depository institutions. She noted the Committee has helped small businesses by reauthorizing the Terrorism Risk Insurance Act ([P.L. 107-297](#)) and the Export-Import Bank.

## House Passes Slate of Bipartisan Financial Services Legislation

### Key Points:

- *The Shirley Chisholm Congressional Gold Medal Act and the Forgotten Heroes of the Holocaust Congressional Gold Medal Act passed the House and Senate and now await the President's signature.*
- *The Disabled Veterans Housing Support Act and the Roberto Clemente Commemorative Coin Act have passed the House and await debate and a vote in the Senate.*

On December 4, the House of Representative passed four bipartisan financial services bills. The bills included the Disabled Veterans Housing Support Act ([H.R.7480](#)), the Roberto Clemente Commemorative Coin Act ([H.R. 6751](#)), the Shirley Chisholm Congressional Gold Medal Act ([S. 4243](#)), and the Forgotten Heroes of the Holocaust Congressional Gold Medal Act ([S.91](#)). The Disabled Veterans Housing Support Act will reform the current Department

of Housing and Urban Development (HUD) income calculation formula. The Roberto Clemente Commemorative Coin Act will create a coin to recognize the life of professional Puerto Rican baseball player Roberto Clemente. The Shirley Chisholm Congressional Gold Medal Act posthumously awards the Congressional Gold Medal to Shirley Chisholm, the first African American woman elected to Congress. The Holocaust Congressional Gold Medal Act posthumously awards the Congressional Gold medal to diplomats who fought to rescue Jewish citizens under Nazi rule.

## **Trump Announces SEC Chairman and Deputy Treasury Secretary Nominees**

### *Key Points:*

- *President-elect Trump nominated Paul Atkins to be SEC Chairman. Atkins previously served as SEC Commission from 2002-2008.*
- *Michael Faulkender was nominated to serve as Deputy Treasury Secretary.*
- *Both nominations are subject to confirmation by the U.S. Senate.*

On December 4, President-elect Donald Trump nominated Paul Atkins to be the next Chairman of the Securities and Exchange Commission (SEC). SEC Chair Gary Gensler announced earlier that he would set down as chair on January 20. Atkins was previously appointed by former President George W. Bush to serve as an SEC Commissioner from 2002-2008. During his tenure as Commissioner, he voted against Regulation NMS due in part to opposition to the trade-through rule, and he opposed certain provisions in the SEC's 2004 investment company governance rule.

President-elect Donald Trump also nominated Michael Faulkender to be Deputy Secretary of the Department of the Treasury. Faulkender currently serves as a Professor of Finance at the University of Maryland and Chief Economist and Vice Chair of the America First Policy Institute's Center for American Prosperity. During the first Trump Administration, Faulkender was the Assistant Secretary of Economic Policy at the Treasury. In this position, Faulkender was responsible for advising former treasury Secretary Steven Mnuchin on economic policy issues.

## **CFPB Proposes Rule to Stop Data Brokers from Selling Sensitive Personal Data**

### *Key Points:*

- *The CFPB's proposed rule intends to build on a larger government-wide initiative to protect the personal and sensitive data of Americans.*
- *Comments to the proposed rule are due on or before March 3, 2025.*

On December 3, the Consumer Financial Protection Bureau (CFPB) [proposed](#) a rule to limit the sale of an individual's personal data, like Social Security and phone numbers, collected by companies. The proposed rule determines that data brokers selling personal and sensitive information would be determined as "consumer reporting agencies" under the Fair Credit Reporting Act (FCRA) and subject to specific requirements. It would "treat data brokers just like credit bureaus and background check companies," "protect consumers' personal identifiers from abuse and misuse," and "require clear consumer consent for data sharing."

CFPB Director Rohit Chopra stated, "By selling our most sensitive personal data without our knowledge or consent, data brokers can profit by enabling scamming, stalking, and spying. The CFPB's proposed rule will curtail these practices that threaten our personal safety and undermine America's national security."

CFPB Director Chopra will testify before the Senate Banking Committee on December 11.

## **FSOC Releases 2024 Annual Report**

### *Key Point:*

- *The FSOC annual report identified potential threats to financial stability and made several recommendations.*

On December 6, the Financial Stability Oversight Council (FSOC) released its [2024 Annual Report](#), which details potential and emerging threats to financial stability and outlines recommendations to address such threats or to improve efficiency and competition in the markets. The report identified fourteen areas of vulnerabilities, including: financial risks relating to commercial and residential real estate, corporate credit, short-term funding markets, digital assets, and climate-related risks; financial institutions (depository institutions, investment funds, central counterparties, insurance sector); financial market structure, operational risk and technological risk (Treasury markets, cybersecurity, the use of artificial intelligence, and third-party servicers).

The FSOC was created by the Dodd-Frank Act and consists of ten voting members (Treasury Secretary, Federal Reserve Board chair, Comptroller of the Currency, CFPB director, SEC chairman, FDIC chairman, CFTC chairman, FHFA director, NCUA chairman, and an independent member with insurance expertise) and five non-voting members (director of the OFR, director of the Federal Insurance Office, a state insurance commissioner, state banking supervisor, and state securities commissioner).

## Upcoming Meetings and Events

### December 10

**SEC Investor Advisory Committee Meeting:** The Securities and Exchange Commission (SEC) will [hold](#) an Investor Advisory Committee meeting. The meeting will consist of two panels: “Examining the Use of Mandatory Arbitration Clauses by registered Investment Advisers”; and “Mainstreaming of Alternative Assets to Retail Investors.” The IAC will also consider a “Recommendation Regarding the Protection of Investors in their Interactions with Finfluencers.”

**CFTC Market Risk Advisory Committee:** The Commodity Futures Trading Commission (CFTC) Market Risk Advisory Committee will [hold](#) a meeting to “discuss current topics and developments in the areas of central counterparty risk and governance, market structure, climate-related risk, and innovative and emerging technologies affecting the derivatives and related financial markets.”

### December 11

**CFPB:** The Senate Banking, Housing, and Urban Affairs Committee will [hold](#) a hearing entitled, “Consumer Protection: Protecting Workers’ Money and Fighting for the Dignity of Work.” Rohit Chopra, Director of the Consumer Financial Protection Bureau, will testify.

**Fiscal Crisis:** The House Budget Committee will [hold](#) a hearing entitled, “Sounding the Alarm: Pathways and Possible Solutions to the U.S. Fiscal Crisis.”

### December 12

**FACI:** The Federal Advisory Committee on Insurance (FACI) will [hold](#) a meeting.

*For more information about financial services issues you may email [Joel Oswald](#) or [Mahlet Makonnen](#). Ashley Kinder contributed to this section.*



## **ENERGY & ENVIRONMENT**

### **House Subcommittee Examines the Biden Administration's LNG Export "Pause"**

#### *Key Points:*

- *On Wednesday, a subcommittee of the House Oversight and Accountability Committee held a hearing on the Biden Administration's moratorium on authorizing liquefied natural gas (LNG) exports to non-free trade agreement (FTA) nations.*
- *Republicans criticized the Administration and the Department of Energy for the "ban" on export permits.*
- *Assistant Secretary of Energy Brad Crabtree defended the authorization moratorium and said the Department would unveil its new report on export impacts by the middle of the month.*

On December 4, the House Oversight and Accountability Committee's Subcommittee on Economic Growth, Energy Policy, and Regulatory Affairs held a [hearing](#) entitled, "Exposing the Truth on LNG: How the Administration Played Politics with America's Energy Future."

The hearing focused on the Biden Administration's moratorium on Department of Energy (DOE) LNG export authorizations. The Administration initiated a review of the impacts of LNG exports when it announced "a temporary pause on pending decisions on exports...to non-FTA countries" on January 26, 2024. During the hearing, Assistant Secretary of Energy Brad Crabtree indicated that the findings would be issued soon: "The forthcoming update of our economic and environmental analysis is both robust and comprehensive, and we expect to release the final study at the middle [of] December for a 60-day public comment period."

The Biden Administration initiated the review when it announced the "temporary pause on pending decisions on exports". If the findings in the report are adverse regarding the impacts of exports, it could be an impediment to President-Elect Trump's plans to quickly resume issuing LNG permits after he takes office. As described in a Biden Administration [Fact Sheet](#), the "pause" was intended to allow the Department of Energy to "update the underlying analyses" for export authorizations to address:

- "potential energy cost increases for American consumers and manufacturers beyond current authorizations";
- "the latest assessment of the impact of greenhouse gas emissions";
- the "evolving understanding of the market need for LNG";
- "the long-term supply of LNG";
- "the perilous impacts of methane on our planet"; and



- “risks to the health of our communities, especially frontline communities...who disproportionately shoulder the burden of pollution from new export facilities.”

## Upcoming Hearings and Events

### December 19

**FERC Meeting:** The Federal Energy Regulatory Commission (FERC) will hold its monthly [open meeting](#).

*For more information about energy and environment issues you may [email](#) or call Frank Vlossak at 202-659-8201. Noah Hawkins contributed to this section.*

## HEALTH

### **Biden Administration Proposed Rule on Medicare Coverage for Obesity Drugs**

#### *Key Points:*

- *The proposed rule would allow anti-obesity medications (AOMs) to be covered by Medicare.*
- *The formal comment and rule-making process is not expected to be finalized until April 2025.*

The Biden Administration issued a [proposed rule](#) to allow Medicare to cover AOMs for beneficiaries. Currently, Medicare beneficiaries can have AOMs covered by Part D if they are used for a medically accepted FDA-approved indication other than obesity, like diabetes or cardiovascular disease risk reduction but otherwise, Medicare policy prohibits coverage of drugs used for weight loss.

The Administration reinterpreted the statutory language prohibiting Medicare coverage for weight loss, describing obesity as “a multi-faceted disease and we need to work on all levels from prevention to treatment to address this persistent challenge.” The White House [stated](#) AOMs “can help prevent the development of Type 2 diabetes. Furthermore, these drugs reduce deaths and sickness from heart attack and other cardiovascular outcomes by up to 20%.”

The new rules would apply only to people who are obese. Beneficiaries who are overweight would not be eligible unless they have another condition such as diabetes that qualifies for weight-loss drugs.

The proposed rule still needs to go through a formal comment and rulemaking process, which is not expected to be finalized until April 2025. It is unclear if the rule will be finalized under the Trump Administration as President-elect Trump's nominee to serve as the Secretary of Health and Human Services, Robert F. Kennedy Jr., has expressed opposition to AOMs and emphasized the need for healthy food to solve the obesity and diabetes crisis.

## **Medicare Proposal for Stricter Coverage Denial Rules in Private Plans**

### *Key Point:*

- *MA Plans would be required to provide information about enrollees' rights to appeal coverage denials and outline requirements for payments affected by overturned coverage under a proposed Medicare rule.*

Under a new proposed rule, Medicare Advantage (MA) plans would be required to provide clarity on internal coverage criteria. This would include informing enrollees on their rights to appeal coverage denials and requirements for when coverage is overturned after treatment which may affect payments.

Additionally, the rule would increase CMS oversight to prevent misleading advertisements on the MA plans. In the Medicare Plan Finder, an entire provider directory will now be required to be listed.

In a [statement](#) from CMS Deputy Administrator, Meena Seshamani, she stated, "We continue to hear from people enrolled in Medicare Advantage who are having difficulty accessing the care they need and are entitled to, and CMS remains focused on removing these barriers." The proposal follows CMS audits of the MA plan and will continue to audit into 2025.

Comments for the rule are to be submitted no later than January 27. Ultimately, it is up to the Trump Administration to delay, change, or finalize the proposed rule.

## Senate HELP Committee Holds Hearing on FDA's Measures to Reduce Diabetes and Obesity Epidemics

### *Key Points:*

- *On December 5, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a hearing entitled, "What Is the FDA Doing to Reduce the Diabetes and Obesity Epidemics in America and Take on the Greed of the Food and Beverage Industry?"*
- *Topics discussed during the hearing included front-of-package labeling, supply chain shortages, responsibilities of the FDA, chemical safety, food review comparisons, research collaboration, and food alternatives.*

On December 5, the Senate Health, Education, Labor, and Pensions (HELP) Committee, led by Chairman Bernie Sanders (I-VT), held a [hearing](#) entitled, "What Is the FDA Doing to Reduce the Diabetes and Obesity Epidemics in America and Take on the Greed of the Food and Beverage Industry?" Topics discussed in the hearing included front-of-package labeling, supply chain shortages, responsibilities of the FDA, chemical safety, food review comparisons, research collaboration, and food alternatives.

Chairman Sanders urged Congress to combat the type 2 diabetes and obesity epidemic. He emphasized the need for strong frontal package food labels and added tobacco labels in the U.S. He emphasized the need to reduce the high prices of diabetes and weight loss drugs.

Ranking Member Bill Cassidy (R-LA) said reducing obesity in children is bipartisan and argued food labeling reforms will not solve all the nation's health and obesity issues. He urged the Committee to explore all factors leading to obesity and examine the FDA's role in reviewing the safety of chemical ingredients that go into foods.

Additionally, Senate Republicans and Democrats agreed on the need to enforce labeling standards. Regarding the standards, senators raised concerns about genetically engineered foods as well as plant-based protein and the need for clear labeling on these products.

*For more information about health care issues you may [email](#) Laura Simmons. Aubrie Chastain contributed to this section.*

## **CYBERSECURITY, PRIVACY, AND ARTIFICIAL INTELLIGENCE**

### **House Homeland Security Committee Holds Hearing on Secure by Design**

#### *Key Points:*

- *On December 5th, the House Committee on Homeland Security's Subcommittee on Cybersecurity and Infrastructure Protection held a hearing entitled "Design vs. Default: Analyzing Shifts in Cybersecurity."*
- *Topics discussed during the hearing included: challenges to Secure by Design implementation; issues with existing software security; and benefits to Secure by Design for consumers.*

On December 5<sup>th</sup>, the House Committee on Homeland Security's, Subcommittee on Cybersecurity and Infrastructure Protection held a [hearing](#) titled "Design vs. Default: Analyzing Shifts in Cybersecurity." Members questioned a panel of industry executives regarding the risks posed by the continued use of legacy software systems, the implementation of the Cybersecurity and Infrastructure Security Agency (CISA) [Secure by Design initiative](#), and the role that Congress and the next administration can play in fostering greater cybersecurity for U.S. critical infrastructure.

Technology products developed with Secure by Design principles prioritize the security of consumers as a core business requirement—rather than merely a technical feature—by including greater protections against malicious cyber actors attempting to gain access to devices, sensitive data, and connected infrastructure. Launched as part of the [2023 U.S. National Cybersecurity Strategy](#), CISA's voluntary [Secure by Design pledge](#) is an opportunity for software manufactures to incorporate seven key pillars of security into their products: (1) multi-factor authentication; (2) default passwords; (3) reductions of entire classes of vulnerability; (4) security patches; (5) vulnerability disclosure policies; (6) transparent vulnerability reporting; and (7) evidence of intrusions. To date, over 250 companies have signed the pledge.

In his opening statement, Subcommittee Chairman Andrew Garbarino (R-NY) explained that enhancing the U.S. cybersecurity posture is one of the defining challenges of the time, due in part to the treatment of cybersecurity protections as an "add-on" rather than "essential." He said the U.S. has long relied on patches and software updates to fix vulnerabilities once discovered, but now that malicious actors can exploit weaknesses faster than they are being addressed, the reactive approach is no longer sufficient. He explained that Secure by Design represents a proactive commitment to including cybersecurity as part of companies' core

missions, representing an industry shift towards viewing security and innovation as complementary rather than competing priorities. He said consumers expect their products to be secure out of the box, and so far, the CISA-led initiative has worked because it is voluntary. He urged that forcing companies to adopt such requirements presents a significant risk, as many already struggle with the compliance burden of duplicative cybersecurity regulations.

In his [testimony](#), Jim Richberg, Head of Cyber Policy for Fortinet and a member of the Sector Coordinating Council, stated that the information technology (IT) sector must mature its approach to cybersecurity. He explained that the Council, which led collaboration between industry and CISA on the development of the pledge, focused on selecting items that would be achievable by small business while also providing scope for improvement by larger and more capable companies. He said their philosophy was to agree on what needed to be accomplished, leaving it to signatories as to how the goals could be best achieved in their specific domains. He told the Subcommittee that achieving broad adoption of Secure by Design principles is an achievable goal, but there will need to be significant buy-in from the market base. He noted that the concept is a work in progress, and continued public-private partnerships will be necessary to achieve lasting software security across all critical systems.

## **FCC Proposes Cybersecurity Rules to Secure Telecommunications Networks**

### *Key Points:*

- *On December 5<sup>th</sup>, the FCC released a draft ruling that would require telecommunications companies to secure their networks and improve their cybersecurity posture.*
- *The agency introduced an additional proposal which would require communications service providers submit an annual attestation to the agency that they have created, updated, and implemented a cybersecurity risk management plan.*

On Thursday, the Federal Communications Commission (FCC) [released](#) a draft Notice of Proposed Rulemaking (NPRM) that, if adopted, would require telecommunications companies to secure their networks and bolster their cybersecurity practices. The proposals come in direct response to the recent, wide-reaching hack of several telecom providers by the Chinese cyberespionage group “Salt Typhoon.”

Specifically, the draft declaratory ruling finds that section 105 of the [Communications Assistance for Law Enforcement Act \(CALEA\)](#) “creates a legal obligation for telecommunications carriers to secure their networks against unlawful access and

interception” of communications, according to an agency [fact sheet](#). Additionally, the FCC also introduced a proposal which would require communications service providers submit an annual attestation to the agency that they have created, updated, and implemented a cybersecurity risk management plan, an initiative intended to strengthen the sector’s security posture in the face of future attacks.

“The cybersecurity of our nation’s communications critical infrastructure is essential to promoting national security, public safety, and economic security,” said FCC Chairwoman Jessica Rosenworcel. “As technology continues to advance, so does the capabilities of adversaries, which means the U.S. must adapt and reinforce our defenses. While the Commission’s counterparts in the intelligence community are determining the scope and impact of the Salt Typhoon attack, we need to put in place a modern framework to help companies secure their networks and better prevent and respond to cyberattacks ...”

If adopted, the draft guidance would take effect immediately. The NPRM would seek public comment on cybersecurity risk management requirements for communications providers and on “additional ways to strengthen the cybersecurity posture of communications systems and services.”

## **NIST Publishes Final Measurement Guide for Information Security**

### *Key Points:*

- *This week, NIST published the final version of its Measurement Guide for Information Security, which comprises two volumes of guidance for [Identifying and Selecting Measures \(Volume One\)](#) and [Developing an Information Security Measurement Program \(Volume 2\)](#).*
- *The final version updates the agency’s existing literature on gauging the efficacy of organizations’ cybersecurity protocols.*

On December 4<sup>th</sup>, the National Institute of Standards and Technology (NIST) [published](#) the final version of its “Measurement Guide for Information Security” (SP 800-55), which comprises two volumes of guidance for [Identifying and Selecting Measures](#) (Volume One) and [Developing an Information Security Measurement Program](#) (Volume 2). This week’s release provides new updates to the agency’s existing literature on gauging the efficacy of organizations’ cybersecurity protocols.

According to the NIST [press release](#), Volume One “provides a flexible approach to the development, selection, and prioritization of information security measures.” Specifically, it

includes: (1) introductory guidance on statistical analysis; (2) exploration of terminology relevant to the measurement and analysis of IT; (3) new information about measures documentation, reporting, data quality, and uncertainty; and (4) expanded information on selecting and prioritizing measures.

Volume Two offers a “flexible methodology and workflow” for affected entities, featuring: (1) a new workflow for developing and implementing an information security measurement program; and (2) sections on measurement program benefits, program scope, foundations for a successful program, roles and responsibilities, the programmatic value of metrics, measures communication, organizational considerations, manageability, and data management concerns.

## **NIST Seeks Public Comment on Zero Trust Architecture Implementation**

### *Key Points:*

- *On December 5<sup>th</sup>, NIST released the draft guide “Implementing a Zero Trust Architecture,” which outlines results and best practices derived from the National Cybersecurity Center of Excellence’s (NCCoE) work to demonstrate end-to-end zero trust architectures (ZTA) alongside industry participants.*
- *Comments on the draft guidance are due by January 31, 2025, and this will be the final iteration released before the document is finalized next year.*

On Thursday, the National Institute of Standards and Technology (NIST) [released](#) the draft guide “[Implementing a Zero Trust Architecture](#)” (SP 1800-35), which outlines results and best practices derived from the NCCoE’s work to demonstrate end-to-end zero trust architectures (ZTA) alongside industry participants. The agency is now seeking public comments.

To supplement the full guide, NIST released a high-level document which “serves as introductory reading with insight into the project effort, including a high-level summary of project goals, reference architecture, various ZTA implementations, and findings,” according to the [press release](#). The full draft guidance includes detailed reporting on “technologies leveraged, their integrations and configurations, and the use cases and scenarios demonstrated.” The agency also provides information on implemented security capabilities and their mappings to the [NIST Cybersecurity Framework](#) and aspects of the “Executive Order on Improving the Nation’s Cybersecurity” ([EO 14028](#)).



Comments on the draft guidance are due by January 31, 2025, and this will be the final iteration released before the document is finalized next year.

## Upcoming Hearings and Meetings

### December 09

**International AI Policy in 2025:** The Center for Strategic and International Studies [holds](#) a discussion on "International Artificial Intelligence Policy: Outlook for 2025."

**Challenges of AI to Rule of Law:** Inter-American Dialogue's Rule of Law Program and Luminate hold a virtual discussion, beginning at 10 a.m., on "The Challenges of Artificial Intelligence to the Rule of Law."

**A Cyber Policy Retrospective:** The Center for Strategic and International Studies [holds](#) a virtual discussion, beginning at 1 p.m., on "The Last Four Years of Cyber Policy: A Retrospective."

**Equity in AI:** The Brookings Institution's Center for Technology Innovation [holds](#) a discussion on "Why An Equity Lens is Critical in the Design and Deployment of AI."

### December 10

**AI in International Markets:** The Commerce Department's International Trade Administration [holds](#) a virtual meeting to discuss how artificial intelligence can contribute to the competitiveness of U.S. businesses operating in international markets.

**AI and Permitting:** The Department of Energy [holds](#) a virtual meeting of the Secretary of Energy Advisory Board for remarks from the SEAB chair, discussion of the SEAB report on artificial intelligence and permitting, and public comment.

**AI Policy in Trump 2.0:** The Federalist Society for Law and Public Policy Studies [holds](#) a virtual discussion, beginning at 12 p.m., on "AI Policy In President Trump's Second Term."

### December 11

**AI and the Future of Work:** The RAND Corporation [holds](#) a virtual discussion, beginning at 12 p.m., on Artificial Intelligence and the Future of Work."

**Equitable AI in the Public Sector:** The American Association for the Advancement of Science [holds](#) a virtual discussion, beginning at 2 p.m., on "Tools for the Equitable Use of AI in the Public Sector."

**Communications Networks Security:** The Senate Commerce, Science and Transportation Communications, Media, and Broadband Subcommittee [holds](#) a hearing on "Communications Networks Safety and Security."

## **December 12**

**Cyber Insurance:** The Treasury Department [holds](#) a virtual meeting of the Federal Advisory Committee on Insurance, which will include discussion on cyber insurance developments.

**NAIAC Working Group Findings:** The Commerce Department's National Institute of Standards and Technology [holds](#) a virtual meeting of the National Artificial Intelligence Advisory Committee to report working group findings, identify actionable recommendations, receive public briefings and continue discussion and deliberation on the transition report.

*For more information about cybersecurity issues you may email [Mahlet Makonnen](#) or [Frank Vlossak](#). Gray Eisler contributed to this section.*

## **TRADE**

### **President-Elect Trump Outlines Plan for 25 Percent Tariffs on Mexican and Canadian Goods Alongside Additional 10 Percent Tariff on Chinese Goods**

#### *Key Points:*

- *President-elect Trump has announced his plan to impose an additional 25 baseline tariff on all Mexican and Canadian imports via an executive order.*
- *In addition, he expressed his intent to impose an additional 10 percent tariff on all Chinese goods on top of preexisting tariffs.*

On November 25, President-elect Trump [announced](#) via a Truth Social post that he intended to impose a 25 percent tariff on all Mexican and Canadian goods. Citing the "thousands of people ... pouring through Mexico and Canada, bringing Crime and Drugs at levels never seen before," the President-elect claimed he would issue an executive order shortly after his inauguration to impose tariffs on all products coming from the two countries. As such, he has stated the tariffs would remain "until such time as Drugs, in particular Fentanyl, and

all Illegal Aliens stop this Invasion.” The post further states that the two impacted countries “have the absolute right and power to easily solve this long-simmering problem.” In response to the comments, Canada’s Deputy Prime Minister Freeland and Public Safety Minister LeBlanc stated in a [release](#) that their nation “places the highest priority on border security and the integrity of our shared border,” adding that they will “continue to discuss these issues” with the incoming Trump Administration. In addition, Mexican President Sheinbaum warned after the announcement that tariffs would fail to address the migration and drug issues associated with the U.S.-Mexico border.

In addition to the tariffs on Mexican and Chinese goods, the President-elect announced on the same day that he would impose an additional 10 percent tariff on all Chinese goods. Notably, the tariff would be in addition to preexisting tariffs on certain Chinese goods. In a Truth Social [post](#), President-elect Trump stated that China has previously promised to crack down on drug trafficking into the U.S. but has yet failed to effectively do so. As such, the proposed 10 percent tariff would remain in place until “as such time as” the importation of drugs into the U.S. “stop[s].” In response, a Chinese Foreign Ministry spokesperson [stated](#) that China “has carried out extensive and in-depth counternarcotics cooperation with the U.S.” as far back as 2019. In addition, the spokesperson expressed hope the U.S. would not “take China’s goodwill for granted and work to ensure that the hard-won positive dynamics will stay in the counternarcotics cooperation.”

Uncertainty remains as to the specific authority under which the Executive Branch could permanently enact such tariffs without congressional approval.. During the first Trump Administration, the President threatened to use powers in the International Emergency Economic Powers Act to impose tariffs on Mexican goods, citing issues at the southern border. However, then-President Trump announced shortly after that the two nations reached an agreement and that he would not move forward with the action. As such, the authority for a President to impose such tariffs under IEEPA remains legally untested.

The threat alone of tariffs achieved some initial results as the Canadian Prime Minister Trudeau flew down to Mar-a-Lago to meet with President-elect Trump and make his case why Canada should not be subject to the suggested tariffs. Mexican President Sheinbaum has suggested her country could retaliate and has generally taken a more combative position in response to the suggested tariffs.

## President-Elect Trump Picks Jamieson Greer for USTR, Peter Navarro for Senior Counselor on Trade and Manufacturing

### Key Points:

- *President-elect Trump has selected Jamieson Greer as his nominee for USTR.*
- *Greer, who served as Chief of Staff for former USTR Lighthizer, reflects a continuation of the first Trump Administration's trade priorities.*
- *In addition, the President-elect announced that former White House National Trade Council Director Peter Navarro would serve as his senior counselor on trade and manufacturing.*

On November 19, President-elect Trump announced his nomination of Jamieson Greer to serve as the next U.S. Trade Representative (USTR). Within a Truth Social [post](#), the President-elect stated that Greer played a key role in the first Trump Administration, specifically citing his role in imposing tariffs on Chinese goods and working to replace the North American Free Trade Agreement (NAFTA) with the U.S.-Mexico-Canada Agreement. The post also states that Greer will focus on addressing the nation's trade deficit, "defending American manufacturing, Agriculture, and Services, and opening up Export Markets everywhere." Greer, who previously served as Chief of Staff to former USTR Lighthizer, indicates a continuity in trade policy between the first and incoming Trump Administration. During a hearing with the House Ways and Means Committee in April 2023, Greer [advocated](#) for removing China's permanent normal trade relations status, enforcement of the Phase One Agreement with China, and consideration of additional trade agreements with the UK, India, Kenya, and the Philippines.

In addition, President-elect Trump has announced his nomination of Peter Navarro to serve as his Senior Counselor for Trade and Manufacturing. Within a [post](#) on Truth Social, the President-elect stated that Navarro helped him during the first Trump Administration to renegotiate "unfair trade deals" like NAFTA and the Korea-U.S. Free Trade Agreement in his capacity as Director of the White House National Trade Council. In a subsequent [post](#), he stated that Navarro would help advance and communicate his manufacturing, tariff, and trade agendas. Navarro was imprisoned in a federal prison for four months earlier in 2024 after he was convicted on two counts of contempt of Congress. Specifically, Navarro refused to provide documents and testimony related to the events of January 6, 2021, citing executive privileges after being subpoenaed by a select investigative committee.

## **China Bans Exports of Critical Minerals to U.S. After Commerce Department Expands Entity List to Include Chinese Semiconductor Companies**

### *Key Points:*

- *The Commerce Department has expanded the Entity List to include 140 additional companies.*
- *The expansion targets multiple semiconductor and investment companies located in China.*
- *Shortly after, China announced an export ban on key critical minerals to the U.S.*

On December 3, the Commerce Department expanded its Entity List of companies subject to export controls to include 140 additional companies. According to a [press release](#) from the Bureau of Industry and Security, the additions to the Entity List include “semiconductor fabs, tool companies, and investment companies that are acting at the behest of Beijing to further the PRC’s advanced chip goals which pose a risk to U.S. and allied national security.”

Shortly after the announcement, the PRC reported that it would act to ban exports of key critical minerals to the U.S. Specifically, materials used for high-tech and military purposes like gallium, germanium, and antimony were included in the action. In response, House Select Committee on the CCP Chairman John Moolenaar (R-MI) stated that the PRC’s action reaffirms the importance and urgency of reducing America’s reliance on Chinese imports. In turn, he asserted the House Select Committee on the CCP would continue to work on legislative solutions for securing critical minerals to ensure the nation’s economic well-being and national security. In addition, Chairman Moolenaar issued a [letter](#) to Commerce Secretary Raimondo shortly after cautioning that the export control rule provides loopholes that allow Chinese companies to continue to access U.S. technology. Within a corresponding [press release](#), Chairman Moolenaar’s office argued that the rule provides several key loopholes for semiconductor fabs operated by “blacklist entities” to continue to receive U.S. technology. In addition, the release says the rule allows key loopholes for Chinese tech companies Huawei and the semiconductor company SMIC.

## **President-Elect Trump Threatens 100 Percent Tariff on BRICS Nations Seeking to Supplant U.S. Dollar**

### *Key Points:*

- *The President-elect has threatened to enact a 100 percent tariff on BRICS countries if they attempt to replace the U.S. dollar globally.*

On November 30, President-elect Trump warned the Brazil, Russia, India, China, and South Africa (BRICS) group that he would enact a 100 percent tariff on member nations if they attempted to replace the U.S. Dollar. Specifically, a [post](#) on his Truth Social account warns that BRICS member nations that fail to commit to “neither create a new BRICS Currency, nor back any other Currency to replace the mighty U.S. Dollar” will face 100 percent duties. In addition, the post states that there was “no chance that the BRICS will replace the U.S. Dollar in International Trade, and any Country that tries should wave goodbye to America.” Although BRICS member nations have previously considered pursuing a common currency in the past, little progress has been seen on the proposal.

*For more information about trade issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Noah Hawkins contributed to this section.*