

April 30, 2021

Washington Update

This Week In Congress

Senate – The Senate passed the Drinking Water and Wastewater Infrastructure Act ([S. 914](#)), and a Congressional Review Act resolution ([S.J. Res 14](#)) to disapprove an Environmental Protection Agency regulation regarding methane emissions. The Senate confirmed the nominations of Colin Kahl to be Under Secretary of Defense for Policy, Jason Miller to be Deputy Director of the Office of Management and Budget, Janet McCabe to be Deputy Administrator of the Environmental Protection Agency, Bill Nelson to be Administrator of the National Aeronautics and Space Administration, Richard Sauber to be General Counsel at the Department of Veterans Affairs, Gayle Manchin to be Federal Co-Chair of the Appalachian Regional Commission, and Victoria Nuland to be Under Secretary of State for Political Affairs.

House – The House held a committee work week and met in pro forma session. The House hosted President Biden for his first joint address to Congress.

Next Week In Congress

Senate – The Senate will be in recess and meet in pro forma session.

House – The House will hold a committee work week and meet in pro forma session.

TAX

Department of Treasury Issues a Fact Sheet on Proposed Increased Tax Enforcement

Key Point:

- *The Department of Treasury has released a newly developed fact sheet concerning proposed increased IRS enforcement and improving tax compliance.*

On Wednesday, April 28 the Department of Treasury released a newly developed fact [sheet](#) entitled “Investing in the IRS and Improving Tax Compliance.” The issuance of the fact sheet coincides with broader Administration and Congressional efforts to close the “tax gap.” The Department of Treasury estimated in the fact sheet and corresponding release that IRS reforms to increase tax compliance will generate an estimated \$700 billion in tax revenue over the next ten years. The reforms proposed by the Department of Treasury include:

- Providing the IRS with \$80 billion over the next decade to fund an array of priorities ranging from revitalizing IRS Information Technology (IT), to increased enforcement efforts.

- Requiring financial institutions to provide the IRS with increased information concerning accountholders, specifically requiring them to provide the IRS with information about account inflows and outflows.
- Providing the IRS with “much needed resources” to overhaul elements of the “antiquated” IRS IT systems to identify tax evasion and increase enforcement.
- Giving the IRS the legal authority to “implement safeguards in the tax preparer industry.”
- Developing stiffer penalties for paid tax preparers who fail to identify themselves on tax returns (so called “ghost preparers”).

Increased IRS enforcement has garnered bipartisan support in the past. Earlier this month the Senate Finance Committee held a hearing with IRS Commissioner Rettig in which Ranking Member Crapo (R-ID) along with a number of high-profile Committee Republicans also expressed support for enhanced enforcement efforts by the IRS and revitalizing IRS IT infrastructure.

The Biden Administration Releases More Details of the American Families Plan

Key Point

- *The Biden Administration has released more details of the American Families Plan, which includes a number of proposed programs and offsets over the next 15 years.*

On Wednesday, April 28, the Biden Administration released additional details of the second part of their infrastructure proposal, the American Families Plan. The plan includes \$1.8 trillion in spending along with a number of proposed tax increases over the next 15 years. Details of the plan can be found in the [White House Fact Sheet](#), as well as a [background press briefing](#) from Tuesday evening on the plan. Major programs proposed in the plan include:

- Phased-in Paid Family and Medical Leave over ten years to 12 weeks of paid family or medical leave, providing up to \$4,000 per month at 2/3 weekly wages at cost of \$225B over ten years (it remains unspecified who pays for the leave and under what circumstances)
- Automatic Unemployment Insurance adjustments depending on prevailing economic factors
- A number of education spending initiatives including:
 - Universal pre-K for 3 and 4 year olds
 - Free 2-year community college and increased Pell grants for low-income students
 - \$62B in grants for college retention and completion
 - \$39B toward 2 years of subsidized tuition for HBCUs, TCUs and MSIs
- Expand summer and healthy school meals, and SNAP for formerly incarcerated
- Extend Child Tax Credit (\$3,000/\$3,600) through 2025 and make refundability permanent
- Extend ACA premium tax credits enacted in ARP (American Recovery Plan)
- Make permanent the increase in Child and Dependent Care Tax Credit, expanded in ARP
- Make permanent the EITC expansion in ARP for childless workers

- Give IRS authority to regulate paid tax preparers

The offsets proposed by the program include:

- Top Rate Increase - Increase the top individual tax rate from 37% to 39.6% (the rate in effect before 2017)
- Capital Gains/Dividends - Raise capital gains and dividends rates to 39.6% (plus the 3.8% Obamacare surtax) on “households” making over \$1 million
- Stepped-Up Basis - Eliminate “stepped-up” basis, triggering capital gains taxes at death for gains in excess of \$1 million (\$2.5 million per couple when combined with “existing real estate exemptions” if the property is not donated to charity)
- Carried Interest - Eliminate carried interest taxation at preferential rates
- Like-Kind Exchanges - Eliminate like-kind exchange deferral for exchanges with gains greater than \$500,000
- Loss Limitation - Permanently extend the IRC 461(l) loss limitation provision that limits the current deductibility of active pass through business losses to \$250K/\$500K, enacted in TCJA, which would otherwise expire at the end of 2027
- Medicare Taxes - Apply the 3.8 percent Medicare tax more broadly for those making more than \$400,000 to cover all earnings and net investment income
- Financial Reporting - Require financial institutions to report information on account flows so that earnings from investments and business activity are subject to reporting.
- IRS - Increase investment in the IRS, focusing on enforcement against those with the highest incomes. The above two proposals are cited as raising \$700 billion over 10 years.

It remains unclear how these proposals will be received in Congress. Specifically, when the details of the capital gains tax rate increase were leaked to the media last week a number of prominent Republicans expressed strong concerns a rate increase of this magnitude may stifle investment and cripple an economy which is just beginning to recover. A number of high-profile Democrats have lauded the President’s steps to fund a number of Democratic priorities such as paid family and medical leave and the expanded Child Tax Credit. Additionally, earlier this week the Biden Administration was reported to have clarified as to where the top 39.6% income tax rate would apply. During the campaign the Biden Administration planned to reinstate the top income tax rate of 39.6% on income in excess of \$400,000 per taxpayer. However, the Administration recently clarified the rate would be apply at a joint filer incomes level of income in excess of \$509,300, and for individuals above \$452,700.

If the measures remain without Republican support and a bipartisan approach is not sought, it remains most likely these proposals will be pursued through the use of the expedited process of budget reconciliation.

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

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FINANCIAL SERVICES

House Financial Services Panel Holds Hearing on the Municipal Bond Market

Key Point:

- *Subcommittee Chairman Al Green (D-TX) questioned why HBCUs are charged higher underwriting fees than other similar non-HBCU institutions.*

On April 28, the House Financial Services Committee’s Subcommittee on Oversight and Reform held a [hearing](#) entitled “Examining the Role of the Municipal Bond Markets in Advancing and Undermining Economic, Racial, and Social Justice.”

Chairman Al Green (D-TX) stated the hearing would assess the municipal bond market as a restorative justice measure on one hand and a driver of systemic racism on another. He added the hearing will examine the cost of raising funds for minority institutions such as historically black colleges and universities (HBCUs). He stated research shows HBCUs pay higher underwriting fees to issue tax exempt bonds compared to other institutions. He explained that the difference in time of repayment of municipal bonds taken out by HBCUs when compared to that of other institutions was negligible and thus the disparity in fees has been attributed to racism in investor pools. He observed that these disparities were amplified in areas of the country where historical racial animus is most severe. He expressed concern that the data shows that HBCUs pay an average of 20 percent more to issue bonds than other similar institutions. He stated HBCU bond issuers in the southern part of the country paid an average of 30 basis points more than non-HBCUs to issue bonds. Representative Alma Adams (D-NC) stated her 40-year tenure as a professor at a HBCU has shown her the difficulties faced by these organizations in selling their debt. She expressed concern the cost to sell debt for HBCUs is much higher than for other institutions based not on their ability to repay but on racial issues.

Ranking Member Andy Barr (R-KY) lauded the reliability of municipal bonds as a source of capital to allow institutions to finance long term growth. He noted the municipal bond market is made up of over 50,000 unique issuers and he observed 50 percent of municipal debt is held by individuals and the other 50% is split between institutional investors, insurance companies and others. He noted during the pandemic this market faced significant liquidity challenges due to federal closure mandates, and the Municipal Liquidity Facility (MLF) responded to this challenge and helped normalize the market. He stressed the country is in need of infrastructure investment in the coming months, especially in the area of rural broadband, and he noted municipal bonds will be a key funding source for these long-term infrastructure improvements. He urged the Administration to assess all available options to pay for their infrastructure proposal and he implored the Administration to take another path other than raising taxes. He stressed the need to ensure the credit ratings of entities are based solely on their ability to repay and are not compromised by non-material information. He noted the study that shows HBCUs paid more to sell their debt compared to non-HBCUs, and he stated discrimination in the municipal bond market is illegal, urging Congress to work to ensure this discrimination does not take place.

Senate Banking Committee Debates the OCC's True Lender Rule

Key Point:

- *Chairman Sherrod Brown (D-OH) expressed support for repealing the OCC's True Lender rule through the Congressional Review Act.*
- *Ranking Member Pat Toomey (R-PA) argued that the rule provides important regulatory clarity.*

On April 28, the Senate Banking Committee held a [hearing](#) entitled “The Reemergence of Rent-a-Bank?” The hearing focused on the Office of the Comptroller of the Currency’s (OCC) October 2020 True Lender rule, which determines when a national bank or federal savings association (bank) makes a loan and is the “true lender,” including in the context of a partnership between a bank and a third party.

In his [opening statement](#), Chairman Sherrod Brown (D-OH) harshly criticized the rule, arguing that it gives a free pass to “abusive rent-a-bank schemes.” He suggested that the rule allows payday lenders to avoid regulation by funneling their loans through banks. Brown, along with other Democrats, expressed support for moving forward with a Congressional Review Act resolution to overturn the rule.

Ranking Member Pat Toomey (R-PA), in his opening statement, defended the True Lender rule, arguing that it provides needed regulatory clarity for banks partnering with fintech companies. He added:

Contrary to what some claim, this rule is not intended to facilitate “rent-a-charter” arrangements where banks don’t comply with the law. In fact, the OCC’s rule does just the opposite. As the OCC has explained, in a rent-a-charter arrangement “a bank receives a fee to ‘rent’ its charter and unique legal status to a third party ... to enable the third party to evade state and local laws ... and to allow the bank to disclaim any compliance responsibility for the loans.”

In other words, a “rent-a-charter” arrangement means no party takes compliance responsibility for a loan. That’s where the True Lender rule comes in. It ensures that national banks that partner with third parties are accountable for the loans they issue through these partnerships, and allows the OCC to supervise the origination of these loans.

House Financial Services Holds Hearing on Gender and Racial Pay Gaps

Key Point:

- *The Subcommittee considered legislation to require pay equity audits and require reporting regarding gender and racial pay equity.*

On April 29, the House Financial Services Committee’s Subcommittee on Diversity and Inclusion held a [hearing](#) entitled “Closing the Racial and Gender Wealth Gap Through Compensation Equity.”

The Committee debated the following legislation:

- [H.R. _____](#), a bill to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to require certain pay equity audits.
- [H.R. _____](#), a bill to amend the Securities Exchange Act of 1934 to require issuers to report information relating to gender and racial pay equity.

Chairwoman Joyce Beatty (D-OH) said companies that ignore pay disparities in their workforce face increased reputational risk. She suggested that pay equity audits could help to address these disparities. She stated that since the onset of the pandemic a significant number of women have left the workforce, particularly working mothers and Black women. She asked how compensation inequity affects workforce attrition and what can be done to attract these women back to the workforce. Emily M. Dickens (Society for Human Resource Management) said there are currently challenges filling jobs, suggesting that there are opportunities for women to reenter the workforce at higher wages than when they left. She said HR departments are thoughtfully considering how they can make their workforces more diverse and their cultures more inclusive. Maya Raghu (National Women's Law Center) agreed that there is an opportunity right now for organizations to rethink their workforces. She stated that if workplaces want to attract women they will need to adapt to the changing role of women, stating that many women are both primary wage earners and caregivers.

Ranking Member Ann Wagner (R-MO) asked what efforts companies are proactively taking to increase the number of women and minorities earning degrees in science, technology, engineering, and mathematics (STEM) fields. She asked what can be done to encourage these efforts. Dwana Franklin Davis (Reboot Representation) said companies are taking multiple approaches, both through corporate giving and internal programs. She stressed the need to have as many women of color enter STEM fields, particularly computing. Wagner said education is important, but there must also be readily available employment. She asked if there are barriers discouraging women and minorities from entering STEM fields. Davis responded that there are. She said lack of representation is a barrier, stating that the lack of exposure and opportunity is a challenge.

Upcoming Hearings and Meetings

May 4

Housing Resilience: The House Financial Services Committee's Subcommittee on Housing, Community Development and Insurance will hold a hearing entitled, "Built to Last: Examining Housing Resilience in the Face of Climate Change."

May 6

GameStop: The House Financial Services Committee will hold a hearing entitled, "Game Stopped? Who Wins and Loses When Short Sellers, Social Media, and Retail Investors Collide, Part III."

May 7

Artificial Intelligence: The House Financial Services Committee’s Task Force on Artificial Intelligence will hold a hearing entitled, “Equitable Algorithms: How Human-Centered AI Can Address Systemic Racism and Racial Justice in Housing and Financial Services.”

May 12

Markup: The House Financial Services Committee will hold a markup of pending legislation. The agenda for the markup has not yet been announced.

May 18

China: The House Financial Services Committee’s Subcommittee on National Security, International Development and Monetary Policy will hold a hearing entitled, “Examining Belt and Road: The Lending Practices of the People’s Republic of China and Impact on the International Debt Architecture.”

May 19

Prudential Regulators: The House Financial Services Committee will hold a hearing entitled “Oversight of Prudential Regulators: Ensuring the Safety, Soundness, Diversity, and Accountability of Depository Institutions.”

May 24

SPACs: The House Financial Services Committee’s Subcommittee on Investor Protection, Entrepreneurship and Capital Markets will hold a hearing entitled, “Going Public: SPACs, Direct Listings, Public Offerings, and the Need for Investor Protections.”

May 25

Racial Justice: The House Financial Services Committee’s Subcommittee on Diversity and Inclusion will hold a hearing entitled, “The Legacy of George Floyd: An Examination of Financial Services Industry Commitments to Economic and Racial Justice.”

May 26

Bank CEOs: The Senate Banking Committee will hold a hearing to receive testimony from the CEOs of JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

Consumer Credit Reporting: The House Financial Services Committee’s Subcommittee on Oversight and Investigations will hold a hearing entitled, “Consumer Credit Reporting: Assessing Accuracy and Compliance.”

May 27

Bank CEOs: The House Financial Services Committee will hold a hearing entitled “Holding Megabanks Accountable: An Update on Banking Practices, Programs and Policies.” The Committee is expected to

receive testimony from the CEOs of JPMorgan Chase, Bank of America, Citigroup, Wells Fargo, Goldman Sachs, and Morgan Stanley.

For more information about financial services issues you may email [Joel Oswald](#) or [Alex Barcham](#).

ENERGY AND ENVIRONMENT

EPA Administrator Testifies

Key Points:

- *On Thursday, Michael Regan, the Administrator of the Environmental Protection Agency, testified before the Energy and Commerce Committee’s Environment and Climate Change Subcommittee.*
- *Regan outlined the Biden Administration’s \$11.2 billion request for the agency for Fiscal Year 2022.*
- *Regan also described plans for pending regulations targeting greenhouse gas emission sources, including vehicles, power plants, and methane.*

On April 29, the House Energy and Commerce Committee’s Environment and Climate Change Subcommittee held a hearing on “The Fiscal Year 2022 EPA Budget.” Environmental Protection Agency (EPA) Administrator Michael Regan testified.

In his [opening statement](#), Subcommittee Chairman Paul Tonko (D-NY) declared that the “EPA must act boldly...on climate change, on clean water, chemical safety, and on land remediation.” He also noted the “clear need to rebuild the agency’s staff capacity” following an outflow of employees during the Trump Administration. Tonko discussed the Energy and Commerce Committee’s anticipated role in drafting the Biden Administration’s “American Jobs Program”, including provisions related to the State Drinking Water Revolving Fund, replacement of lead water service lines, and reductions in diesel emissions.

Subcommittee Ranking Member David McKinley (R-WV), in his [opening remarks](#), agreed that “the world needs to reduce its carbon emissions”. However, he questioned the feasibility of achieving net zero U.S. power sector emissions by 2035. McKinley described challenges to meeting that target and stressed that “today’s carbon capture technology is not ready for prime time.” He also emphasized the difficulty in utilities obtaining new source review (NSR) permits that will be necessary for achieving net zero emissions. McKinley commented that “what our utilities need is certainty” with the NSR process. He also highlighted the importance of building carbon dioxide pipelines and cautioned that the needed “pipelines won’t be built” in time to meet the target dates.

In his [opening statement](#), Full Committee Chairman Frank Pallone (D-NJ) remarked that “the EPA is back to work...not a moment too soon.” He noted that “last week, the President submitted a strong national commitment” for greenhouse gas (GHG) reductions under the Paris Climate Agreement.

Pallone said that the “goal of reducing emissions by 50 percent by 2030 is necessary and achievable.” He also focused on the need to address PFAS contamination, as well as “crumbling” water infrastructure.

Full Committee Ranking Member Cathy McMorris Rodgers (R-WA), in her [opening statement](#), said that the “U.S. had led the world in reducing carbon emissions.” She noted the record-level EPA budget requested by President Biden and cautioned that Congress should “know what we’re buying.”

In his [testimony](#), Administrator Regan told the Subcommittee that the Biden Administration requested \$11.2 billion for the EPA for Fiscal Year 2022. He emphasized the importance of addressing climate change and pursuing environmental justice. Regan declared that “a healthy environment and a healthy economy are not mutually exclusive.” He noted that the budget includes \$75 million to “accelerate toxicity studies and fund research” on PFAS, which will inform regulatory work to designate it a hazardous substance.

Tonko asked Regan about the EPA’s role in meeting the new U.S. Nationally Determined Contribution (NDC) of reducing GHG emissions by 50-52 percent below 2005 levels by 2050. Regan replied that the agency would focus on “transportation sources, stationary sources, methane, and other categories.” Tonko asked what existing statutory authorities and tools the EPA will use to address GHG emissions. Regan replied that “we’re going to do this using the traditional statutory authorities we have.” He explained that the agency “will focus on looking at tailpipe emissions”, noting that the President asked the EPA to “have a proposal...in July” that regulates vehicle emissions through 2026. Regan added that “we’ll also look at methane reductions, we’ll be looking at a proposal for that [in] September.” He also told Tonko that “we’ll be looking at replacing the Clean Power Plan.” Tonko commented that it will be critical for the EPA to “use existing authorities to the fullest.” He asked whether the agency needs additional authorities or resources to help ensure that the U.S. can meet its NDC target. Regan acknowledged that “we cannot regulate our way out of the situation we find ourselves in,” adding that “we view Congress, the states, [and] all of our stakeholders as...partners.”

Murkowski Introduces Grid Cybersecurity Legislation

Key Point:

- *On Thursday, Senator Lisa Murkowski (R-AK) introduced a bipartisan bill to incentivize investments in electric grid cybersecurity.*

On April 29, Senator Lisa Murkowski introduced the “Protecting Resources on The Electric Grid with Cybersecurity Technology (PROTECT) Act of 2021” ([S. 1400](#)). In introducing the bill, Murkowski said it “will help ensure utilities across America, including municipal utilities and electric cooperatives, are able to continue investing in advanced, cutting-edge cybersecurity technologies, while also strengthening the partnership between private industry and the federal government.” The legislation directs the Federal Energy Regulatory Commission (FERC) to “conduct a study to identify incentive-based, including performance-based, rate treatments for the transmission and sale of electric energy...that could be used

to encourage...(1) investment by public utilities in advanced cybersecurity technology; and...(2) participation by public utilities in cybersecurity threat information sharing programs.” The legislation also directs FERC, within one year of completing the study, to “establish incentive-based, including performance-based, rate treatments for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce by public utilities for the purpose of...encouraging...investments...in advanced cybersecurity technology and...participation in cybersecurity threat information sharing programs.” The “PROTECT Act” also establishes a cybersecurity technology grant program for utilities not subject to FERC jurisdiction, including rural electric cooperatives, state-owned utilities, and small investor-owned utilities. Cosponsors of the legislation include: Senate Energy and Natural Resources Committee Chairman Joe Manchin (D-WV); Senator James Risch (R-ID); Senator Agnus King (I-ME); and Senator Jacky Rosen (D-NV).

Upcoming Hearings and Events

May 5

Reducing Vehicle Emissions: The House Energy and Commerce Committee’s Energy Subcommittee will hold a [hearing](#) titled, “The CLEAN Future Act: Driving Decarbonization of the Transportation Sector.” The Subcommittee will consider proposed legislation, including: the “Climate Leadership and Environmental Action for our Nation’s (CLEAN) Future Act” ([H.R. 1512](#)); the “NO EXHAUST Act” ([H.R. 2852](#)); the “Electric Vehicles for Underserved Communities Act” ([H.R. 1221](#)); and the “Advanced Technology Vehicles Manufacturing (ATVM) Future Act of 2021” ([H.R. 2308](#)).

May 5-6

Pipeline Methane Emissions: The Pipeline and Hazardous Materials Safety Administration (PHMSA) will hold a two-day [public meeting](#) on “Pipeline Leak Detection, Leak Repair and Methane Emissions”. The meeting will focus on natural gas pipelines and is part of PHMSA’s work to implement Sections 113 and 114 of the “PIPES Act of 2020”. The [agenda](#) for the meeting includes: discussion with federal government, public interest groups, and pipeline industry associations; “Technology and R&D Initiatives”; and “Leak Detection and Best Practices”.

May 6

Environmental Justice: The Environmental Protection Agency’s (EPA) National Environmental Justice Advisory Council (NEJAC) will hold a [virtual public meeting](#). The meeting “will focus on several topics including, but not limited to, EPA administration transitions priorities, and discussions and deliberations of a charge related to the reuse and revitalization of Superfund and other contaminated sites.”

May 20

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

June 1-2

The Federal Energy Regulatory Commission (FERC) will hold a [technical conference](#) on “Climate Change, Extreme Weather, and Electric System Reliability”. The conference will address: “concerns that because extreme weather events are increasing in frequency, intensity, geographic expanse, and duration, the number and severity of weather-induced events in the electric power industry may also increase”; and “the specific challenges posed to electric system reliability by climate change and extreme weather, which may vary by region.”

June 17

Environmental Justice: The Environmental Protection Agency’s (EPA) National Environmental Justice Advisory Council (NEJAC) will hold a [virtual public meeting](#). The meeting “will focus on several topics including, but not limited to, EPA administration transitions priorities, and discussions and deliberations of a charge related to the reuse and revitalization of Superfund and other contaminated sites.”

June 22-24

Market and Planning Efficiency Through Improved Software: The Federal Energy Regulatory Commission (FERC) will hold a [technical conference](#) “to discuss opportunities for increasing real-time and day-ahead market efficiency of the bulk power system through improved software.” FERC will issue a detailed agenda for the technical conference after May 28, 2021.

For more information about energy and environment issues you may [email](#) or call Frank Vlossak at 202-659-8201. Jackson Notes and Thomas Benson contributed to this report. Updates on energy and environment issues are also available on [twitter](#).

HEALTH**President Biden Addresses a Joint Session of Congress*****Key Points:***

- *On Wednesday, April 28, President Biden delivered remarks to a joint session of Congress on initiatives launched during the first 100 days of his presidency and priorities for the future.*
- *In the address, Biden highlighted the nation’s COVID-19 vaccine efforts and other key elements of his pandemic recovery package.*

On April 28, President Joe Biden addressed a joint session of Congress. The address covered several different topics, including the American Rescue Plan (ARP), coronavirus (COVID-19) vaccines, the Affordable Care Act (ACA), prescription drug prices, and research and development (R&D).

President Biden said he inherited a nation experiencing a health crisis. He applauded the passage of the ARP and touted results already achieved, including over 220 million COVID-19 vaccine doses

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administered within the first 100 days in office. He said vaccines are now available at 40,000 pharmacies, 700 community health centers (CHCs), community vaccination sites, and mobile units. He added that 90 percent of Americans now live within five miles of a vaccination site and said all Americans over the age of 16 are eligible for the vaccine. He encouraged all Americans older than 16 to get vaccinated immediately. He highlighted progress in vaccinating seniors and reported 70 percent of people over the age of 65 are now fully vaccinated. He said senior deaths have declined 80 percent since January and more than half of all adults in America have gotten at least one vaccine dose. He asserted the U.S. will become an arsenal for vaccine doses to share with other nations as the vaccine supply grows larger than domestic need. He clarified every American will have an opportunity to access the vaccine before it is distributed to other countries.

Biden highlighted one of the largest investments in history for improving health care for veterans and additional investments to address the opioid crisis. He noted the ARP has lowered health care premiums for 9 million Americans who purchase coverage under the ACA and called for permanence for this provision. He added that 800,000 people enrolled in the ACA during the special sign-up period for the pandemic. He emphasized the role of the ACA in protecting pre-existing conditions and women's health. He reported 800,000 people are currently sitting on a Medicare waiting list to get home care for an aging parent or a loved one with a disability. Biden called for lower deductibles for working families and lower prices for prescription drugs. He revealed that the U.S. pays the highest prescription drug prices in the world, with the cost for a drug in the U.S. reaching nearly three times the price of the same drug in other countries. He said it is time to provide Medicare the power to negotiate lower prices for prescription drugs. He noted this would benefit all Americans, not just people on Medicare. He added that money saved on prescription drug prices can be directed toward efforts to strengthen the ACA and expand Medicare coverage and benefits without costing taxpayers an extra penny. He asserted health care in America should be a right, not a privilege.

On global leadership in critical technologies, Biden recalled the U.S. used to invest 2 percent of its gross domestic product (GDP) in R&D but observed the investment has now fallen below 1 percent of GDP. He called for stronger investments so the U.S. can dominate in biotechnology and other products of the future. He mentioned the Defense Advanced Research Projects Agency (DARPA) within the Department of the Defense (DOD), which he said is tasked with developing breakthroughs to enhance national security, and recommended that the National Institutes of Health (NIH) create a similar research projects agency for health to develop breakthroughs which can prevent, detect, and treat diseases like Alzheimer's, diabetes, and cancer.

HHS Releases Updated Practice Guidelines for Buprenorphine

Key Points:

- *The Department of Health and Human Services issued updated buprenorphine practice guidelines exempting certain practitioners from federal certification requirements to increase access to opioid use disorder treatment.*

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- *Under the guidelines, practitioners would be able to treat up to 30 patients with buprenorphine without going through additional certification.*

On April 27, the Department of Health and Human Services (HHS) [issued](#) updated Practice Guidelines for the Administration of Buprenorphine for Treating Opioid Use Disorder to exempt practitioners from federal certification requirements related to training and counseling that are part of obtaining a waiver to treat up to 30 patients with buprenorphine. The changes became effective April 28, 2021.

Under the guidelines, eligible physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, and certified nurse midwives who are licensed under state law and hold a valid Drug Enforcement Administration (DEA) registration would not be required to complete additional training and obtain a waiver to prescribe buprenorphine. If utilizing the exemption, the practitioner is limited to treating only 30 patients, and time spent under the exemption will not count towards the provider qualifying for higher treatment limits. Non-physicians must also be under the supervision of a DEA-registered physician. Practitioners who do not want to utilize the exemption may seek a waiver through the already established protocols.

Upcoming Hearings and Meetings

May 4

Drug Pricing: The House Energy and Commerce Committee will hold a hearing on “Negotiating a Better Deal: Legislation to Lower the Cost of Prescription Drugs.”

May 5

Drug Pricing: The House Education and Labor Committee will hold a hearing on “Lower Drug Costs Now: Expanding Access to Affordable Health Care.”

May 6

Maternal Health: The House Oversight and Reform Committee will hold a hearing on “Birthing While Black: Examining America's Black Maternal Health Crisis.”

For more information about health care issues you may [email](#) or call Nicole Ruzinski Bertsch or George Olsen at 202-659-8201. Elisabeth Dawahare contributed to the section.

TRADE**House Members Send Letter to USTR Asking for a Transparent, Consistent Exclusion Process for Section 301 Tariffs***Key Point:*

- *A bipartisan group of more than 100 lawmakers this week urged U.S. Trade Representative Katherine Tai to re-establish an exclusion process for Section 301 tariffs on products from China.*

A bipartisan group of more than 100 lawmakers this week urged U.S. Trade Representative Katherine Tai to re-establish an exclusion process for Section 301 tariffs on products from China.

Under President Trump, the U.S. imposed Section 301 tariffs on hundreds of billions of dollars' worth of Chinese goods. The Trump Administration also set up a product-exclusion evaluation process led by USTR. The Biden Administration says it's conducting a comprehensive review of U.S.-China relations before it decides what to do with those tariffs.

USTR in March extended tariff exclusions for products being used to combat the coronavirus pandemic. However, exclusions for other products that "are critical inputs for U.S. manufacturing facilities and supply chains" expired on Dec. 31, the lawmakers wrote in [their letter](#), which was led by Rep. Walorski (R-IN).

The lawmakers called on Tai to give importers targeted tariff relief through a new exclusion process that is "transparent, consistently applied, based on facts" and includes "expedited procedures for those who had been granted exclusions in the past." Further, they say, the process should be "administered in a way that would not undermine the broader and critically important bipartisan support to address serious concerns with China's behavior."

President Biden Says that Buy American Provisions Will Not Conflict with Trade Deals

In his speech to the joint session of Congress on Wednesday, President Biden stated that the Buy American provisions in the American Jobs Plan will not violate U.S. trade agreements, although many trade agreements have provisions regarding government procurement. He emphasized that U.S. tax dollars "are going to be used to buy American products made in America to create American jobs." Earlier in April, President Biden instructed his cabinet to review their departments' policies to ensure they were in line with a January executive order he signed to expand domestic government procurement.

U.S., Kenya Review Progress on a Free Trade Agreement

Key Point:

- *Secretary of State Antony Blinken met virtually with Kenyan President Uhuru Kenyatta to discuss progress on a bilateral free trade agreement.*

On Tuesday, Secretary of State Antony Blinken met virtually with Kenyan President Uhuru Kenyatta to discuss progress on a bilateral free trade agreement. According to a statement from the Kenyan government, the two discussed “trade and investment opportunities, touching on the untapped potential held by the Kenya-U.S. Free Trade Agreement,” among other issues. After the meeting, Secretary Blinken said that President Biden’s Administration is looking forward to continued discussions with Kenya regarding a free trade agreement. The U.S.-Kenya deal seeks to be a model for future agreements with African nations when the Africa Growth Opportunity Act expires in 2025.

USTR Tai Testifies Before Senate

Key Point:

- *U.S. Trade Representative (USTR) Katherine Tai testified before the Senate Appropriations Committee and discussed progress on the Boeing-Airbus dispute, China, and United States–Mexico–Canada Agreement (USMCA) implementation.*

On Wednesday, U.S. Trade Representative (USTR) Katherine Tai testified before the Senate Appropriations Committee regarding the fiscal year 2022 budget for the Office of the U.S. Trade Representative (USTR).

During the hearing, Tai emphasized her commitment to resolving the Airbus-Boeing dispute with the European Union (EU). She said that the USTR would use the 4-month tariff deferral period to address this issue and relieve “tensions” with the EU. She noted that she has been in contact with both the EU and United Kingdom (U.K.) regarding the dispute.

Tai also stated that she has not met with her Chinese counterpart, Vice Premier Liu He, and that a meeting has not yet been scheduled. She said that she would make contact with Liu He at “the right time” and would report back to Congress with an update. She also indicated that USTR’s review of China’s trade policy has not begun.

Tai will meet with representatives from Mexico and Canada regarding progress on implementing the United States–Mexico–Canada Agreement (USMCA) in the coming weeks. Tai said that she has a “number of concerns” with how Mexico is handling its obligations under the USMCA and emphasized that she is not “not afraid to use the enforcement tools” provided in the agreement.

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

This Week in Congress was written by Alex Barcham.