This Week In Congress

**Senate** – The Senate confirmed Judge Ketanji Brown Jackson to be an Associate Justice of the Supreme Court by a vote of 53-47. The Senate also confirmed James O’Brien to lead the Office of Sanctions Coordination, Katherine Vidal to Director of the U.S. Patent and Trade Office, Laurie Locascio to be Under Secretary of Commerce for Standards and Technology, Mohsin Raza Syed to be Assistant Secretary of Transportation, Jed David Kolko to be Under Secretary of Commerce for Economic Affairs, William LaPlante to be Under Secretary of Defense for Acquisition and Sustainment, Krista Anne Boyd to be Inspector General of the Office of Personnel Management, Arun Venkataraman and Grant Harris to be Assistant Secretaries of Commerce, and Erik Kristopher Raven to be Under Secretary of the Navy. The Senate passed the Suspending Normal Trade Relations with Russia and Belarus Act (H.R. 7108) and the Suspending Energy Imports from Russia Act (H.R. 6968). The Senate failed to move forward on a $10 billion supplemental appropriations package to support the COVID-19 response, but may reconsider the bill following the upcoming recess.

**House** – Following their passage in the Senate, the House passed the Suspending Normal Trade Relations with Russia and Belarus Act and the Suspending Energy Imports from Russia Act, clearing them for signature by President Biden. The House also passed the Medical Marijuana Research Act (H.R. 5657), the Ensuring Lasting Smiles Act (H.R. 1916), and the Relief for Restaurants and other Hard Hit Small Businesses Act (H.R. 3807). The House approved a resolution to hold Peter Navarro and Daniel Scavino in contempt of Congress for refusing to comply with subpoenas from the Select Committee to Investigate the January 6th Attack on the United States Capitol.

Next Week In Congress

**Senate** – The Senate will be in recess and meet in pro forma session. The Senate is scheduled to reconvene on April 25.

**House** – The House will be in recess and meet in pro forma session. The House is scheduled to reconvene on April 26.
**TAX**

**Bipartisan Pair of Senators Release Discussion Draft of Legislation Limiting Tax Benefits for Companies Doing Business in Russia and Belarus**

*Key Point:*
- Earlier this week, Senators Wyden (D-OR) and Portman (R-OR) released a discussion draft of legislation targeting tax benefits of companies operating in Russia and Belarus.

On Thursday, Senate Finance Committee Chairman Wyden (D-OR) and Senator Portman (R-OH) released a discussion draft of legislation to subject Russia and Belarus to Section 901(j) of the Internal Revenue Code. The draft legislation applies Section 901(j) to Russia and Belarus 90 days after the date of enactment. Section 901(j) is a provision limiting foreign tax credits for income earned in certain countries like North Korea and Iran. In addition, the proposal would disallow any deduction for taxes paid to Russia and Belarus. The draft text would also allow for the taxation at the full 21% rate on any foreign income earned in Russia and Belarus, with no allowance for global intangible low-tax income (GILTI) deductions. Lastly, the bill would codify a move which the Department of Treasury took earlier this week, to suspend tax information sharing with Russia and Belarus. A summary of the legislation can be found [here](#). The discussion draft of the legislation can be found [here](#).

**Department of Treasury Suspends Tax Information Sharing with Russia**

*Key Point:*
- The Department of Treasury announced they would be suspending tax information sharing with Russia.

Earlier this week, the Department of Treasury announced the United States would no longer be sharing tax information with Russia in response to the invasion of Ukraine. The long-standing tax agreement has allowed the Internal Revenue Service (IRS) to receive tax information from its Russian counterpart on American taxpayers abroad and provide comparable information to Russia. “The United States has not provided information since the invasion began,” the Department said in a statement. The Department also stated, “This ensures that the United States is not providing any information that could contribute to the enrichment of the Russian government through increased tax collections or facilitating in any way the persecution of Russian dissidents or the targeting of Ukrainian citizens or businesses.” However, Senators Cardin (D-MD) and Portman (R-OH) have urged the Administration to go farther and suspend the United States’ entire income tax treaty with Russia. “Suspending the tax treaty with Russia would discourage continued U.S. investment in the Russian Federation and prevent preferential tax treatment for Russian businesses and investments in the United States,” they wrote last week to President Biden.
Senate Finance Committee Holds Hearing with IRS Commissioner Rettig on the President’s Budget and the 2022 Tax Filing Season

Key Point:
- The Senate Finance Committee held a hearing with IRS Commissioner Rettig to discuss the President’s FY2023 budget request and the 2022 filing season.

On Thursday, the Senate Finance Committee held a hearing entitled “The IRS, The President’s Fiscal Year 2023 Budget and the 2022 Filing Season.” During the hearing IRS Commissioner Rettig testified concerning the President’s proposed FY2023 budget. Senators questioned Commissioner Rettig on a range of topics including: (1) the 2020 and 2021 IRS filing backlog; (2) information technology systems modernization; (3) IRS staffing; (4) IRS return to work policy; and (5) the FY2023 proposed IRS budget.

During the hearing, a bipartisan array of Senators expressed concern regarding the continued backlog of unprocessed 2020 and 2021 returns. Commissioner Rettig testified that the IRS has a total of 2.3 million unprocessed returns which were received in 2021 and 2.7 million unprocessed returns received in 2022. Committee Democrats highlighted President Biden’s budget request which provides a substantial increase to the IRS budget to allow the IRS to hire additional employees to address the backlog. Committee Republicans advocated for implementing new processes and technologies within IRS systems, such as 2-D machine readable barcodes to allow returns to be processed in a quicker manner which does not require IRS staff to input each line item on a return manually.

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

FINANCIAL SERVICES

SEC Issues Proposed Rule on Registration and Regulation of Security-Based Swap Execution Facilities

Key Points:
- The proposed rule would require the registration of security-based swaps execution facilities (SBSEFs).
- The proposed rule is intended to harmonize the SEC’s SBSEF regulations with the CFTC’s SEF regulations.

On April 6, the Securities and Exchange Commission (SEC) held an open meeting and approved proposed rules under the Securities Exchange Act of 1934 for the registration and regulation of security-based swap execution facilities (SBSEFs) and related matters. The proposed rules would also address the cross-border application of registration and execution requirements for security-based swaps. The proposed rules were approved by a vote of 4-0.
The SEC issued a fact sheet summarizing the proposed rule. The fact sheet states that the proposed rules would:

- Create a regime for the registration and regulation of security-based swap execution facilities (SBSEFs);
- Implement the “trade execution requirement” for security-based swaps (SBS) and address various issues relating to the requirement, including its cross-border application;
- Address conflicts of interest at SBSEFs and national securities exchanges that trade SBS; and
- Promote consistency between the proposed rules governing SBSEFs and existing rules under the Securities Exchange Act of 1934 (Exchange Act).

Chairman Gary Gensler stated that the proposal would harmonize the SEC’s SBSEF framework with the Commodity Futures Trading Commission’s (CFTC) framework for swap execution facilities. He suggested that most of the entities which will register as SBSEFs will also be registered with the CFTC as SEFs, which will create opportunities for efficiencies.

The proposed rule will be subject to a 30-day comment period.

**Treasury Department Imposes Additional Sanctions in Response to Russia’s Invasion of Ukraine**

*Key Points:*
- President Biden issued an executive order prohibiting new investment in Russia by U.S. persons.
- The U.S., G7, and EU issued sanctions on Russian financial institutions, state-owned enterprises, and elites.

On April 6, the U.S., G7, and the EU imposed additional economic penalties on Russia for its invasion of Ukraine. As described in a fact sheet, “the United States is announcing devastating economic measures to ban new investment in Russia, and impose the most severe financial sanctions on Russia’s largest bank and several of its most critical state-owned enterprises and on Russian government officials and their family members.” The fact sheet provided the following summary of the actions taken:

- Full blocking sanctions on Russia’s largest financial institution, Sberbank, and Russia’s largest private bank, Alfa Bank. This action will freeze any of Sberbank’s and Alfa Bank’s assets touching the U.S. financial system and prohibit U.S. persons from doing business with them. Sberbank holds nearly one-third of the overall Russian banking sector’s assets and is systemically critical to the Russian economy. Alfa Bank is Russia’s largest privately-owned financial institution and Russia’s fourth largest financial institution overall.

- Prohibiting new investment in the Russian Federation. President Biden will sign a new Executive Order (E.O.) that includes a prohibition on new investment in Russia by U.S. persons wherever located, which
will further isolate Russia from the global economy. This action builds on the decision made by more than 600 multinational businesses to exit from Russia. The exodus of the private sector includes manufacturers, energy companies, large retailers, financial institutions, as well as other service providers such as law and consulting firms. Today’s E.O. will ensure the enduring weakening of the Russian Federation’s global competitiveness.

Full blocking sanctions on critical major Russian state-owned enterprises. This will prohibit any U.S. person from transacting with these entities and freeze any of their assets subject to U.S. jurisdiction, thereby damaging the Kremlin’s ability to use these entities it depends on to enable and fund its war in Ukraine. The Department of Treasury will announce these entities tomorrow.

Full blocking sanctions on Russian elites and their family members, including sanctions on: President Putin’s adult children, Foreign Minister Lavrov’s wife and daughter, and members of Russia’s Security Council including former President and Prime Minister of Russia Dmitry Medvedev and Prime Minister Mikhail Mishustin. These individuals have enriched themselves at the expense of the Russian people. Some of them are responsible for providing the support necessary to underpin Putin’s war on Ukraine. This action cuts them off from the U.S. financial system and freezes any assets they hold in the United States.

The U.S. Treasury prohibited Russia from making debt payments with funds subject to U.S. jurisdiction. Sanctions do not preclude payments on Russian sovereign debt at this time, provided Russia uses funds outside of U.S. jurisdiction. However, Russia is a global financial pariah — and it will now need to choose between draining its available funds to make debt payments or default.

Commitment to supporting sectors essential to humanitarian activities. As we continue escalating our sanctions and other economic measures against Russia for its brutal war against Ukraine, we reiterate our commitment to exempting essential humanitarian and related activities that benefit the Russian people and people around the world: ensuring the availability of basic foodstuffs and agricultural commodities, safeguarding access to medicine and medical devices, and enabling telecommunications services to support the flow of information and access to the internet which provides outside perspectives to the Russian people. These activities are not the target of our efforts, and U.S. and Western companies can continue to operate in these sectors in Russia. When necessary, relevant departments and agencies will issue appropriate exemptions and carveouts to ensure such activity is not disrupted.

Additionally, on April 5, the Treasury Department’s Office of Foreign Asset Control (OFAC) sanctioned the darknet market, Hydra Market (Hydra) and the virtual currency exchange Garantex. A Treasury press release explained:

Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned the world’s largest and most prominent darknet market, Hydra Market (Hydra), in a coordinated international effort to disrupt proliferation of malicious cybercrime services, dangerous drugs, and other illegal offerings available through the Russia-based site. The operation targeting Hydra was a collaborative initiative joined by the U.S. Department of Justice, Federal Bureau of Investigations, Drug Enforcement Administration, Internal Revenue Service Criminal Investigation, and Homeland Security Investigations.
Russia is a haven for cybercriminals. Today’s action against Hydra and Garantex builds upon recent sanctions against virtual currency exchanges SUEX and CHATEX, both of which, like Garantex, operated out of Federation Tower in Moscow, Russia. Treasury is committed to taking action against actors that, like Hydra and Garantex, willfully disregard anti-money laundering and countering the financing of terrorism (AML/CFT) obligations and allow their systems to be abused by illicit actors. Wanton disregard for regulations and compliance by persons that run virtual currency exchanges will be rigorously investigated, and where appropriate, perpetrators will be held accountable.

**President Biden Nominates Jaime Lizárraga and Mark Uyeda to be SEC Commissioners**

*Key Point:*
- The White House announced the nominations of Jaime Lizárraga and Mark Uyeda to the SEC.

On April 6, the White House announced that President Biden intends to nomination Jaime Lizárraga and Mark Uyeda to serve as members of the SEC. Uyeda would fill the Republican seat vacated by former Commissioner Elad Roisman. Lizárraga would fill the Democratic seat currently held by Commissioner Allison Herren Lee, who has announced she will set down once a successor is confirmed.

Lizárraga currently serves as Senior Advisor to Speaker of the House Nancy Pelosi, overseeing issues relating to financial markets, housing, international financial institutions, immigration, and small business policy. He previously served on the Democratic staff of the House Financial Services Committee, and as a presidential appointee at the U.S. Department of the Treasury and the U.S. Securities and Exchange Commission.

Uyeda is a career attorney at the SEC currently on detail to the Senate Banking Committee, where he serves as Securities Counsel on the Committee’s Minority Staff. Senate Banking Committee Ranking Member Pat Toomey (R-PA) issued a statement praising Uyeda’s nomination and expressing support for confirmation. Toomey added “I look forward to meeting with Jaime Lizárraga and discussing his views on the SEC’s mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.”

The Senate Banking Committee has not yet scheduled a hearing on the nominations.

**Treasury Secretary Yellen Testifies in House Financial Services**

*Key Point:*
- Topics discussed in the hearing included Russia sanctions, cryptocurrency, climate change, inflation, beneficial ownership, and tax policy.
On April 6, the House Financial Services Committee held a hearing entitled “The Annual Testimony of the Secretary of the Treasury on the State of the International Financial System,” with Treasury Secretary Janet Yellen testifying.

Sixteen bills were listed as part of the hearing, most of which are legislative responses to the Russian invasion of Ukraine. The bills included several reported by the Committee at the March 17 markup (H.R. 6891, the Isolate Russian Government Officials Act of 2022; H.R. 7066, the “Russia and Belarus Financial Sanctions Act; H.R. 6899, the “Russia and Belarus SDR Exchange Prohibition Act of 2022; H.R. 7081, the “Ukraine Comprehensive Debt Repayment Relief Act of 2022; and H.R. 7080, the “Nowhere to Hide Oligarchs’ Assets Act), as well as others such as the “Delist Russia and Belarus from U.S. Exchanges Act.”

In her testimony, Yellen highlighted the Treasury Department’s efforts to hold Russia accountable for its invasion of Ukraine. She emphasized the Department of Treasury is also seeking to prevent Russia from accessing benefits of the international financial system. She added the European Bank has ceased approving new financing for Russia since the unlawful annexation of Crimea in 2014 and she stated this institution has announced new penalties against the Russian central bank. She added the IMF and World Bank will be critical to the rebuilding effort of Ukraine and they will provide resources which have accepted refugees.

Representative Nydia Velazquez (D-NY) stated many members of Congress are concerned about the use of cryptocurrencies to evade sanctions imposed on Russia. She asked how the Department of Treasury is working to combat sanctions avoidance. Yellen stated digital assets do present opportunities for sanctions evasion and she stressed she is monitoring any attempts to evade sanctions using these tokens. She stressed the U.S. is also exchanging information with American allies on this issue. Representative Anthony Gonzalez (R-OH) asked if the Department of Treasury has seen cryptocurrency being used to evade sanctions. Yellen responded she has not yet seen evidence, but she is continuing to monitor for this issue.

Representative Emanuel Cleaver (D-MO) stated the Russian invasion of Ukraine has laid bare the need to move toward creating American sources of energy including solar energy and biofuels. He highlighted the increase in the cost of fertilizer inputs given the Russian invasion of Ukraine. He reported that 20 percent of the world’s fertilizer comes out of Belarus and Russia. He asked what the Department of Treasury can do to push the U.S. towards a more sustainable energy market. Yellen stated she shares the concern that climate change is an existential threat to the world. She noted President Biden has proposed a number of policies that Congress has not yet passed to help shift the U.S. away from fossil fuels. She emphasized the conflict in Ukraine should strengthen American resolve to move towards a clean energy future where the country is not dependent on other countries for energy.

Representative Carolyn Maloney (D-NY) stated she is very interested in the Department of Treasury’s implementation of her “Corporate Transparency Act” which would require corporations to disclose their
true beneficial ownership to FinCEN. She expressed concern that as of today the Department of Treasury has not finalized their implementation of this bill. She asked if Secretary Yellen will commit to issuing this rule before the end of the month. Yellen responded she cannot give an exact answer on timing. She stated this is an extremely complicated rule which may take time to implement. She stressed this is tremendously important legislation and she commended Congress for passing it. She underscored the need to implement this law in a timely manner. Maloney asked when this rule will be implemented. Yellen stated it will be completed this year.

**Senate Republicans Release JOBS Act 4.0 Proposal**

*Key Point:*
- Senate Banking Committee Republicans released a proposal aimed at encouraging companies to go public, improving the market for private capital, enhancing investor protection, and improving regulatory oversight.

On April 4, Republicans on the Senate Banking Committee, led by Ranking Member Pat Toomey (R-PA), released a discussion draft of legislation aimed at accelerating economic growth and supporting capital formation, referred to as the JOBS Act 4.0. This week marks the tenth anniversary of the enactment of the original JOBS Act. The Senate Banking Committee Minority released a fact sheet and a section-by-section summary of the proposal.

As described in a press release, the proposal would:

- Encourage companies to be publicly-traded — includes eight initiatives to encourage companies to become publicly-traded, particularly during earlier growth stages, when investors have the chance to earn the highest returns.

- Improve the market for private capital — includes six initiatives to reduce costs associated with seeking capital by appropriately tailoring regulations for small businesses.

- Enhance retail investor access to investment opportunities — includes eight initiatives to prevent retail investors from being excluded from certain investment opportunities.

- Improve regulatory oversight — includes seven initiatives to enhance investor protection and privacy and to update outdated statutory and regulatory provisions.

While the proposal is unlikely to be enacted in the 117th Congress, it could serve as a preview of the Republican agenda if they gain a majority in the Senate in the upcoming election.
Upcoming Hearings and Meetings

April 20
Public Housing: The House Financial Services Committee’s Subcommittee on Housing, Community Development and Insurance will hold a field hearing in the Bronx, New York entitled, “A Matter of Life and Death: Improving Fire Safety in Federally Assisted Housing.”

April 27

April 28
FinCEN: The House Financial Services Committee will hold a hearing entitled “Oversight of the Financial Crimes Enforcement Network.”


For more information about financial services issues you may email Joel Oswald, Mahlet Makonnen, or Alex Barcham.

ENERGY & ENVIRONMENT

House Energy and Commerce Committee Holds Hearing with Energy CEOs

Key Point:
- The House Energy and Commerce Committee’s Subcommittee on Oversight and Investigations held a hearing entitled, “Gouged at the Gas Station: Big Oil and America’s Pain at the Pump” with multiple oil and gas company CEOs testifying

On April 6, the House Energy and Commerce Committee’s Oversight and Investigations Subcommittee held a hearing entitled “Gouged at the Gas Station: Big Oil and America’s Pain at the Pump”. The hearing focused on Democrats’ allegations of price gouging. Full Committee Chairman Frank Pallone (D-NJ), in his opening statement, asserted, “Big Oil is refusing to increase production to provide the American people some much needed relief at the gas pump”. Subcommittee Chairwoman Diana DeGette (D-CO) echoed the Chairman’s remarks and noted “it’s not just about the shareholders…this Committee is not going to sit back and allow this system, which forces American taxpayers to pay oil companies out of both pockets – first at the pump and then again through tax breaks – to continue in its current form.”
Witnesses present included: Chairman and President of BP America David Lawler; Chairman and CEO of Chevron Michael Wirth; President and CEO of Devon Energy Corporation Richard Muncrief; CEO of ExxonMobil Darren Woods; CEO of Pioneer Natural resources Company Scott Sheffield; President of Shell USA Gretchen Watkins; and Hoover Institution Senior Fellow H.R. McMaster. Their opening statements largely focused on the pandemic hurting production, global markets determining price, and government disincentives to invest in fossil fuels hurting private investment and production capacity. Additionally, leasing issues were discussed as another reason production struggles to remain flat and could decline.

**House Agriculture Committee Assesses Renewable Energy in Rural America**

_**Key Point:**_

- Under Secretary Xochitl Torres Small, other USDA officials, and industry experts testified in a hearing held by the House Agriculture Committee entitled “A 2022 Review of the Farm Bill: Energy – Renewable Energy Opportunities in Rural America”.

The House Agriculture Committee held a hearing entitled “A 2022 Review of the Farm Bill: Energy – Renewable Energy Opportunities in Rural America”. Under Secretary for Rural Development Xochitl Torres Small, U.S. Department of Agriculture (USDA), and other USDA officials discussed transitioning from fossil fuels to green energy in rural communities in their opening statements. Small explained that rural communities are “pivoting energy production models to respond to market shifts, but not without challenges.” She added, “Fossil fuel assets are deep, and continued financing and operation of historic investments by energy producers contribute toward general community reluctance to shift to new sources of energy.” She highlighted energy security, climate resilience, and rural energy efficiency as issues of focus for the USDA.

**FERC Issues Its Fiscal Year 2023 Budget and Planning Document**

_**Key Points:**_

- The Federal Energy Regulatory Commission released its “FY 2023 Congressional Justification”.
- The annual document, issued following the release of the President’s Fiscal Year 2023 budget proposal, includes: FERC’s budget request for the upcoming fiscal year; a review of its activities during the last fiscal year; and its plan for Fiscal Year 2023.

On April 4, the Federal Energy Regulatory Commission (FERC) issued its “FY 2023 Congressional Justification”. The document states that it is intended to:

- Communicate “FERC’s results from the prior fiscal year,”
- Report on “FERC’s planned results in the current and following fiscal years, and”
- Explain “FERC’s resource request for the following year to pursue its mission.”
FERC outlined its strategic priorities:

- “Modernizing Electricity Market Design”;
- “Facilitating the Development of the Electricity Infrastructure Needed for the Changing Resource Mix”;
- “Promoting a Strong and Robust Enforcement Program”;
- “Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects”;
- “Safeguarding Electric Infrastructure from Emerging Threats to Reliability and Security”; and
- “Improving Accessibility and Participation in Proceedings”.

The Commission notes that it “recovers the full cost of its operations through annual charges and filing fees assessed on the industries it regulates as authorized by the Federal Power Act and the Omnibus Budget Reconciliation Act of 1986.” FERC “requests an appropriation of $508,400,000 and 1,508 full-time equivalents (FTEs) to execute its mission in fiscal year (FY) 2023.” The proposed $44.5 million increase would help fund FERC’s “statutorily required workload with hydropower and natural gas infrastructure, including environmental reviews, public participation and outreach, stakeholder engagement, construction oversight, and expert witness contractor assistance which support the Commission’s programs.”

On March 31, the Commission also released its “Strategic Plan Fiscal Years 2022-2026”. As described in a fact sheet, the document lays out the five strategic priorities included in FERC’s “Congressional Justification”. Regarding the objective of “Improving the Siting and Review Process for Interstate Gas Pipelines, LNG Facilities, and Hydroelectric Projects”, the fact sheet states that FERC will “finalize a revised analytical framework that will ensure its gas infrastructure proceedings are supported by sufficiently robust records on all factors, including issues of need for a proposed project; potential environmental impacts, including climate change; and impacts on landowners and communities, including environmental justice communities.”

**Energy Subcommittee Ranking Member and Former House Energy and Commerce Committee Chair Fred Upton Announces Retirement**

**Key Point:**
- The former Chairman of the House Energy and Commerce Committee declared his intent to retire at the end of this Congress, following 36 years of service in the House of Representatives.

On Tuesday, Representative Fred Upton (R-MI), Ranking Member of the House Energy and Commerce Committee’s Energy Subcommittee, announced that he will retire at the conclusion of the 117th Congress. Upton was first elected to the House in 1986 and has served in the chamber since January 3, 1987. As Chairman of the Energy and Commerce Committee during the 112th through 114th Congresses, he played a key role in the enactment of the “Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011” (P.L. 112-90), and the 2015 repeal of the ban on crude oil exports from the United States. In
the House floor speech announcing his retirement, Upton said, “Pipeline safety, protecting the Great Lakes and our drinking water has also been my focus.”

Upcoming Hearings and Events

**April 14**
*Investment and the Energy Transition:* The Energy Forum will hold a virtual **panel discussion** on “The Strategic Outlook for Energy Transition and How Investment Will Shape the Process”.

**April 19**
*Drinking Water and PFAS:* The Environmental Protection Agency’s (EPA) National Drinking Water Advisory Council (NDWAC) will hold a **virtual meeting**. “The purpose of the meeting is for EPA to update the Council on Safe Drinking Water Act programs and to consult with NDWAC as required by [the Safe Drinking Water Act] on a proposed National Primary Drinking Water Regulation (NPDWR) for per- and polyfluoroalkyl substances (PFAS), including perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS).”

*Secretary of Energy Advisory Board:* The Department of Energy will convene a **meeting** of the Secretary of Energy Advisory Board (SEAB). The planned agenda includes: “remarks from the Secretary, remarks from the SEAB chair, remarks on DOE’s Justice-40 initiative, SEAB working group report outs, and public comments.”

**April 21**
*FERC Meeting:* The Federal Energy Regulatory Commission (FERC) will hold its monthly open **meeting**. On March 24, FERC **announced** that “the Commissioners will convene in the Commission Meeting Room for the April 2022 open meeting…the first time since February 2020…” While the Commissioners will attend the meeting in person, members of the press and public will only be able to view the meeting online.

**April 26**
*Hydroelectric Projects:* FERC will hold a **technical conference** on whether the Commission “should require additional financial assurance mechanisms in the licenses and other authorizations it issues for hydroelectric projects”.

**April 28**
*Winter-Readiness of Generating Units:* FERC will hold a **Joint Technical Conference** with the North American Electric Reliability Corporation (NERC) concerning winter-readiness of generating units. The agenda includes discussion of “how to improve the winter-readiness of generating units, including best practices, lessons learned, and increased use of the NERC guidelines…”
May 6

Electric Transmission: FERC’s Joint Federal-State Task Force on Electric Transmission will hold a virtual meeting. The meeting will focus on “on examining barriers to the efficient, expeditious, and reliable interconnection of new resources through the FERC-jurisdictional interconnection processes, including the allowance of participant funding for interconnection-related network upgrades in regional transmission organizations and independent system operators.”

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

HEALTH

HHS Secretary Becerra Testifies Before Senate Finance, House Education and Labor, and House Budget Committees on the FY 2023 HHS Budget

Key Points:
- This week, HHS Secretary Xavier Becerra testified before the Senate Finance, House Education and Labor, and House Budget Committees about the FY 2023 budget request for the Department.
- Members of all three Committees expressed interest in mental health, telehealth, Title 42, and topics such as the Hyde Amendment, Head Start, ACA expansion, and childcare.

Department of Health and Human Services (HHS) Secretary Xavier Becerra testified before several Senate and House Committees this week to discuss the FY 2023 budget request for the Department. In his testimony he emphasized the Biden Administration’s commitment to health equity and reducing health disparities for underserved communities, especially for Tribal communities through investments in the Indian Health Service (IHS). He highlighted progress the Administration has made with its domestic COVID-19 vaccine, personal protective equipment (PPE) and COVID-19 distribution efforts, Provider Relief Fund (PRF) payments, and Affordable Care Act (ACA) enrollment and the “family glitch” fix. He pointed out historic requests in the budget for mental health resources, including $300 million for the July 2022 launch of the national 9-8-8 suicide prevention lifeline. He stated the proposal includes $127 billion in discretionary budget authority and $1.7 trillion in mandatory funding for a never-before-seen investment in the nation’s mental health infrastructure. He noted HHS has also requested investments to close holes in the public health system for maternal health by extending Medicaid coverage for a mother and her baby for 12 months. He added the President also requests $82 billion for pandemic preparedness, which he asserted will be “end-to-end” for research, development, approvals, deployment, and effective response. He explained the budget represents the nation’s values and priorities and stated it therefore reflects a commitment to inclusion, opportunity, and building a healthier America.

Across all three hearings, Members of Congress were most interested in mental health parity and telehealth on a bipartisan basis. Senate Finance Committee Chairman Ron Wyden (D-OR) focused his opening questions on HHS’s plans to use the budget to hold private insurers accountable for
noncompliance with mental health parity laws. Becerra affirmed in his response that the Biden Administration is committed to enforcing mental health parity through the budget request. He explained the request provides for funding to states to enforce parity laws and to eliminate the 190-day lifetime limit on psychiatric hospital services for Medicare beneficiaries. He added the Administration intends to invest heavily in substance use disorder (SUD) and behavioral health services. Ranking Member Mike Crapo (R-ID) echoed Wyden’s calls to eliminate the “invisible cost” of the mental health crisis but expressed concern about the cost implications of the request. Republican members of all three Committees shared in Crapo’s worries about high spending levels, especially given the potential for another COVID-19 supplemental package. House Budget Committee Ranking Member Jason Smith (R-MO) asserted billions of taxpayer dollars have already been wasted and called for oversight.

On telehealth, Members from rural communities requested Becerra’s commitment to make pandemic telehealth flexibilities permanent following the end of the public health emergency (PHE). Several Members worried about a drop-off after the PHE is terminated. Becerra shared support for maintaining flexibility for telehealth services after the pandemic so long as adequate precautions are taken to prevent fraud and abuse. He assured HHS plans to provide at least 60 days of notice to states prior to terminating the PHE. He recognized the value of telehealth to the American people, particularly those who live in rural or underserved communities in which there are barriers to accessing physical health care services.

Title 42 also received attention from several Members across all three hearings. Republicans were concerned that the Administration’s plan to lift Title 42 would exacerbate the crisis at the nation’s Southern border. Representative Jaime Herrera Beutler (R-WA) and Senator Steve Daines (R-MT) warned that lifting Title 42 could increase the amount of fentanyl and methamphetamine flowing across the border into American communities. Senator Bob Menendez (D-NJ) worried that HHS is unprepared to handle the projected influx of unaccompanied children. Becerra explained HHS is currently working to predict the needs and is standing up as many licensed facilities as possible. He noted these facilities are separate and distinct from services offered to American children. He stated HHS has worked with licensed care providers to ensure children will have the best care available. He added HHS is preparing for the possibility of offering emergency care if additional facilities are needed.

In addition, Members discussed the Hyde Amendment, ACA expansion, Head Start, Medicare solvency, maternal health, health equity, the Advanced Research Projects Agency for Health (ARPA-H), and childcare quality, availability, and affordability.

Upcoming Hearings and Meetings

April 12
Prescription Drug Pricing: On April 12, the Senate Special Committee on Aging will hold a field hearing entitled “No Time to Wait: Proposals to Lower Prescription Drug Costs.”
For more information about healthcare issues you may email or call Nicole Razinski Bertsch or George Olsen at 202-659-8201. Elisabeth Dawahare contributed to this section.

CYBERSECURITY & PRIVACY

Google Removes Apps that Hid Data-Harvesting Software

Key Point:
- Apps in the Google Play store that include a software element that hides data-harvesting have been taken down.

Apps in the Google Play store that used hidden data-harvesting code from Measurement Systems S. de R.L have been taken down. The company is linked to a Virginia defense contractor that does cyber intelligence, network-defense, and intelligence-intercept work for the U.S. national-security agencies. The code was present on millions of Android devices and apps, some of which have been downloaded more than 10 million times. Researchers said the software allowed collection of user data, including precise location and personal identifiers.

NIST Issues RFI to Improve Cybersecurity Framework

Key Point:
- The U.S. National Institute of Standards and Technology (NIST) announced a request for information (RFI) for improvements to their cybersecurity framework.

This week, NIST published a RFI for, “Evaluating and Improving NIST Cybersecurity Resources: The Cybersecurity Framework and Cybersecurity Supply Chain Risk Management.” The NIST blog identifies the RFI includes questions on:
- International use of the Framework and opportunities to improve alignment or integration with other frameworks, such as international approaches like the ISO/IEC 27000-series, including ISO/IEC TS 27110
- What next steps NIST should consider ensuring any update further increases international use of the Framework.
- How to better align the Cybersecurity Framework with other NIST resources, including privacy risk management resources
- Input on identifying and prioritizing supply chain-related cybersecurity needs.

Official responses are due by April 25.
Debate Amongst Lawmakers on Scaling Back Trump-era DOD and Cyber Board Policies

Key Point:
- CyberScoop recently reported the White House’s consideration of scaling back giving the Department of Defense (DOD) and U.S. Cyber Command broad authorities to launch cyber-operations.

CyberScoop reported that the Biden Administration is launching an interagency review process to examine whether DOD and the Cyber Command should continue to have the ability to authorize cyber-operations without White House approval. The National Security Presidential Memorandum 13, U.S. Cyber Operations Policy (NSPM-13) went into effect in 2018. The policy helped counter Russian cyber-attacks targeting U.S. elections and infrastructure in 2018 and 2020. Following the report, the co-chairs of the Cyberspace Solarium Commission, Representative Mike Gallagher (R-WI) and Senator Angus King (D-ME), sent a letter to President Biden advocating for the policy to stay. In a Senate Armed Services Committee hearing, U.S. Cyber Command leader General Paul Nakasone discussed Senator King and others’ concerns. Nakasone stated that he will carefully review the proposed changes from the White House before voicing an opinion, however he stated, “significant changes to that NSPM, it could affect what we need to do.

Viasat Satellite Modems Suffer Widespread Cyberattack

Key Points:
- U.S.-based Viasat reported widespread cyberattacks that targeted modems across Europe that stemmed from the Viasat satellite network used by Ukraine’s government and military.
- The timing of the back could indicate Russian involvement, but Viasat has yet to indicate who is responsible.

An article from Bloomberg News reported a malicious software command that infiltrated Viasat satellites and compromised thousands of modems across Europe. The satellite cyberattack could be associated with a modem wiper, termed AcidRain, that attacked Ukrainian modems late last month. AcidRain is the seventh wiper malware associated with the Russian invasion of Ukraine. The immediate ties to Russia are not confirmed by Viasat, for the satellite hack. AcidRain is an ELF MIPS malware designed to wipe modems and routers. More information on the details of the cyberattack and AcidRain were described by Sentinel LABS in a report issued earlier this month.

House Committee on Homeland Security Holds Two Hearings on Cybersecurity

Key Point:
- The House Committee on Homeland Security held a hearing entitled “Mobilizing Our Cyber Defenses: Securing Critical Infrastructure Against Russian Cyber Threats”.

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On April 5 and April 6, the House Homeland Security Committee held two hearings, one in full committee and one in the Subcommittee on Cybersecurity, Infrastructure Protection, and Innovation. Subcommittee Chairwoman Yvette Clarke (D-NY) reinforced the need for cyberattack reporting and enhanced dialogue between Systemically Important Critical Infrastructure (SICI) and Congress in her opening statement.

Full Committee Chair Bennie Thompson (D-MS) applauded the recent passage of the Cyber Incident Reporting for Critical Infrastructure Act and reaffirmed the need for the private sector to enhance dialogue with Congress on cyber incident reporting. He explained the financial services sector “is well-resourced, regulated, and capable of actioning both classified and unclassified information. In contrast, the water sector is under-resourced, largely unregulated, and would benefit from concise, properly contextualized security guidance” in his opening statement. He noted the disparities in the water sector exist across critical infrastructure and emphasized “previous efforts, from the Section 9 designation to the National Asset Database, have fallen short.”

For more information about cybersecurity issues you may email Mahlet Makonnen or Frank Vlossak. Jackson Notes and Abbey Schroeder contributed to this section.

**TRADE**

**Senate and House Broadly Pass Bills to End Russia’s PNTR Status and Suspend Energy Imports from Russia, Clearing Them for the President**

**Key Points:**
- The Senate passed unanimously passed, then the House easily cleared, bills to end Russia’s Permanent Normal Trade Relations status and codify a ban on Russian energy imports.
- The actions send the bills to President Biden for expected signature.

On Thursday, the Senate acted on two bills: the first to revoke preferential trade status (PNTR or MFN in some countries) for imports from Russia; the second to ban the import of oil from Russia. PNTR (called most favored nation status in other WTO countries) status offers preferential tariff rates on imports from such countries.

In quick succession, the House then took up both bills under suspension of the rules and passed them, clearing them for the President.

The final versions of the two bills are:
- H.R. 7108, as amended, "Suspending Normal Trade Relations with Russia and Belarus Act" ([Text as amended by the Senate](#))
- H.R. 6898, as amended, "Suspending Energy Imports from Russia Act" ([Text as amended by the Senate](#))
House and Senate Leaders Announce USICA Conferees

Key Point:
- In preparation for the conference of the House’s America COMPETES and Senate’s U.S. Innovation and Competition Act, party leaders have announced their conferees.

Party leaders in the House and Senate announced the members who will make up the conference to work out differences between the House’s America COMPETES Act of 2022 (H.R. 4521) and the Senate’s U.S. Innovation and Competition Act of 2021 (S.1260). While a formal conference is rare in recent Congresses, the respective leaderships will still play a key role in working out any differences. The process would lead to a conference report that represents a compromise package, which then is voted on in the House and Senate. If passed by the House and Senate, that package would then go to President Biden’s desk for signature. Given the need to maintain 60 votes in the Senate and Republican support, the package is expected to resemble the Senate-passed version more closely.

The lists of conferees can be found here: House Democrats, House Republicans, Senate Democrats, and Senate Republicans.

House Republicans Push Transparency in TRIPS Waiver Bill

Key Point:
- A group of House Ways and Means Republicans introduced legislation to restrict the U.S. Trade Representative’s (USTR) ability to negotiate a waiver under the World Trade Organization’s (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

Following concerns expressed by House Ways and Means Republicans last week when USTR Katherine Tai testified in front of the Committee, a group of Republicans introduced the “Protecting American Innovation Act.” A similar version was introduced as an amendment by Senate Finance Ranking Member Mike Crapo (R-ID). A press release from House Ways & Means Trade Subcommittee Ranking Member Adrian Smith (R-NE) notes the bill would:

- Require the USTR to notify and consult Congress when negotiating any suspension or modification of U.S. trade agreements, including COVID-related TRIPS waivers
- Require the Executive Branch to develop an interagency public health report to determine how a TRIPS waiver would increase global vaccine access and availability
- Make any TRIPS waiver, or other modifications to trade agreements, subject to congressional approval
- Require the USTR to provide notice in the Federal Register of its goals in negotiations and allow for comment
- Require a formal investigation to determine the effects of a COVID TRIPS waiver on national security in the U.S.
- Reassert Congressional authority over trade matters by allowing the Senate Finance Committee and House Ways and Means Committee leaders to designate members and staff as official advisors to negotiators.

**Deputy USTR Bianchi Provides Insight into IPEF as USTR Tai Visits with Singapore Leaders**

**Key Point:**
- Deputy USTR Sarah Bianchi gave insight into the soon-to-be-launched Indo-Pacific Economic Framework (IPEF). USTR Katherine Tai continued her IPEF-related meetings around the region in Singapore.

Deputy USTR Sarah Bianchi announced that countries interested in joining the IPEF will not be required to take part in all pillars to join. She noted that whatever pillar a country join will be expected to fully participate in the scope of their chosen pillar(s). Bianchi added the Biden Administration is looking to launch the framework as soon as it is ready and is keeping a focus for the potential of early-harvest outcomes. While no specific deadlines have been set, she also stated the USTR, and Department of Commerce are hoping IPEF conversations lead to early deliverables by the start of the Asia-Pacific Economic Cooperation meetings the U.S. is hosting next year.

Of note, USTR Tai is in Singapore this week to discuss IPEF with officials there, including Prime Minister Lee Hsien Loong and Trade Minister Gan Kim Yong. Please find the USTR readout of Tai’s meetings with Loong [here](#), and Yong [here](#).

*For more information about trade issues you may email or call Christopher Hatcher at 202-659-8201. Abbey Schroeder contributed to this section.*

*This Week in Congress was written by Alex Barcham.*