



February 19, 2021

Washington Update

This Week In Congress

House – The House held a committee work week and met in pro forma session. The House continued its work on the American Rescue Plan Act, a \$1.9 trillion coronavirus response package.

Senate – The Senate acquitted President Trump in his impeachment trial, with 57 Senators voting guilty and 43 voting not guilty. 67 guilty votes were required to convict. The Senate recessed following the trial and met in pro forma session.

Next Week In Congress

House – The House Budget Committee will hold a markup of the American Rescue Plan Act on Monday, with the House expected to vote on the bill later in the week. The House is also set to consider the Protecting America’s Wilderness and Public Lands Act ([H.R. 803](#)), and the Equality Act ([H.R. 5](#)).

Senate – The Senate is scheduled to consider the nominations of Linda Thomas-Greenfield to Ambassador the United Nations, and Tom Vilsack to be Secretary of Agriculture. The Senate is expected to take up the American Rescue Plan Act shortly after it passes the House.

TAX

Reconciliation Process Continues, Goal to Meet March 14 Deadline

Key Point:

- *Reconciliation package expected to move to the Senate next week, as process wraps up in the House.*

Last week all House committees given reconciliation instructions concluded their process of marking up or submitting their reconciliation packages. On Monday, February 22, the House Budget Committee will meet to formally combine each individual bill into the final bill, which will be sent to the House Rules Committee later in the week for any final tweaks and setting the rules for consideration on the House floor. This will be the last opportunity for House Democrats to change the legislation before it will be sent to the Senate.

The following week the Senate will receive the bill and appears to be planning to move the bill directly to the Senate floor and skip committee action to further mark up the legislation. The Senate may have amendments, but how many will be agreed to remains an open question. Furthermore, there may be changes as a result of “Byrd Rule” challenges on the package for provisions that have revenue impacts

that are incidental to the policy, or out-year increases to the deficit. Assuming eventual Senate passage, the bill would then go back to House which would likely pass it quickly and send it to the President. Democrats hope to finish the bill around or before the March 14 soft deadline, but the real date may actually be March 12 when federal unemployment benefits would need to be extended to avoid a lapse in payments.

Secretary Yellen Speaks to E.U. Trade Commissioner Regarding Global Tax Issues

Key Point:

- *Secretary Yellen had a conversation with the E.U. Trade Commissioner early this week to discuss a number of relevant tax issues.*

Treasury Secretary Yellen spoke earlier this week with E.U. Trade Commissioner Valdis Dombrovskis about the ongoing OECD negotiations on a global tax reform agreement, as well as ways to address EU-U.S. trade disputes. According to a February 16 Treasury [readout](#) of the call, Secretary Yellen “committed to reengage actively in the ongoing OECD discussions on international taxation to forge a timely international accord, and to seek solutions to key bilateral trade issues.” Dombrovskis also tweeted that the call was “positive and productive.” Since her confirmation hearing, Secretary Yellen and the Biden Administration more broadly have made global tax issues a focus of their tax reform policy, specifically calling out issues like Global Intangible Low-Taxed Income (GILTI). Countries around the world have expressed hope that the Biden Administration will be more likely to agree by summer 2021 on a two-pillar proposal that nearly 140 countries are discussing within the OECD framework. It is also reported the two discussed a number of other issues relevant to U.S. tax policy such as digital taxes imposed on American companies by European countries, and tariffs on the long running Boeing-Airbus dispute.

House Ways and Means Committee Democrats Urge IRS to Extend 2021 Tax Filing Season

Key Point:

- *House Ways and Means Committee Democrats have sent a letter to the IRS urging them to extend 2021 tax filing deadline.*

On Thursday House Ways and Means Democrats, led by Oversight Subcommittee Chairman Pascrell (D-NJ), requested that the Internal Revenue Service (IRS) extend the tax return filing season beyond April 15, 2021, “given the ongoing nature of the COVID-19 pandemic.” The letter written to IRS Commissioner Rettig referenced last years’ extension of the April, 15 2020 filing deadline to July 15, 2020. “One year later, another unique filing season is underway, and many of these same pandemic-related difficulties and challenges persist for taxpayers, practitioners, and the IRS,” the Ways and Means Democrats wrote to Commissioner Rettig. The Democratic lawmakers concluded by requesting that the IRS consider another extension of the tax return filing deadline, and requested an announcement as soon as possible, in order to eliminate unnecessary taxpayer and practitioner anxiety. The full text of their letter can be found [here](#).

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

House Financial Services Committee Holds Hearing on GameStop

Key Points:

- *Chairwoman Waters stated that Americans feel the system is stacked against them and that the Committee will hold more hearings on these issues.*
- *Ranking Member McHenry argued that retail investors are being shut out of investment opportunities because of rules such as the accredited investor definition.*
- *The Committee discussed a range of issues including payment for order flow, short selling, the role of social media, capital requirements, and the settlement cycle.*

On February 18, the House Financial Services Committee held a hearing entitled “Game Stopped? Who Wins and Loses When Short Sellers, Social Media, and Retail Investors Collide.” The Committee received testimony from Robinhood CEO Vlad Tenev, Citadel CEO Kenneth Griffith, Melvin Capital CEO Gabriel Plotkin, Reddit CEO Steve Huffman, Reddit investor Kenneth Gill, and Cato Institute Director of Financial Regulation Studies Jennifer Schulp.

Chairwoman Maxine Waters (D-CA) noted this was to be the first in a series of hearings to address the recent market volatility surrounding trading in GameStop. She explained these recent market events have prompted a discussion about the role of social media and trading platforms in the market. She also added this situation raised questions regarding business models for apps, and the gamification of the market. She reiterated the subsequent hearings in this series will discuss this situation with regulators and how each regulatory agency can play a role in addressing market events such as this. She acknowledged many Americans feel the system is stacked against them, and she explained many retail investors attempted to “beat Wall Street at its own game,” in late January.

Ranking Member Patrick McHenry (R-NC) stated Americans are far more capable than people in Washington, D.C., think they are. He stressed this hearing must be a fact-finding mission. He stated some are floating new restrictions to protect so-called uninformed retail investors, but he added that average everyday investors are extremely sophisticated and there “is wisdom in the crowd.” He stated retail investors are now able to communicate in real time thanks to social media like Reddit. He added this situation is the result of years of pent-up frustration, paired with cheaper and better technology. He explained the K-shaped economy is nothing new in today's capital markets, and that regulations have enshrined inequity through policies like the accredited investor definition which pick winners and losers. He expressed concern the privileged few gain special access to significant returns which retail investors are unable to receive through equity investments. He noted the regulatory regime creates a world where it is easier to buy a lottery ticket rather than to invest in the next Google. He stressed the country should have an economy where all investors are able to have equity investments no matter their background. He urged the Committee to use this opportunity to side with retail traders.

Chairwoman Waters raised concerns with the payment for order flow (PFOF) model, noting that Citadel pays Robinhood tens of millions of dollars for their order flow. Ranking Member Patrick McHenry (R-NC) asked why Robinhood restricted the buying and not the selling of GameStop securities. Tenev responded he is committed to providing access to all traders, and this decision was driven by deposit

requirements imposed by clearinghouses. He stressed preventing users from selling is a painful experience when users are unable to access their own money. McHenry asked if payment for order flow is legal. Tenev responded in the affirmative. McHenry asked if this model is disclosed to users of Robinhood. Tenev responded in the affirmative. He acknowledged payment for order flow has now become the industry model because it allows for commission-free trading for retail investors.

Subcommittee on Investor Protection, Entrepreneurship and Capital Markets Chairman Brad Sherman (D-CA) said that the GameStop saga highlights issues surrounding short selling and the payment for order flow model. He raised questions such as: whether there should be limits to short selling or more disclosures; what it means in the payment for order flow model when some customers get best execution but some receive price enhanced best execution; and why the broker's capital is posted rather than the trader's capital during settlement. He also urged the Committee to explore the overall "gamification" of the market, and he expressed hope to hold more hearings and consider legislation.

Representatives French Hill (R-AR), Vicente Gonzalez (D-TX), and Josh Gottheimer (D-NJ) raised concerns with the role of the WallStreetBets Reddit community, including whether possible market manipulation occurred.

Several members, including Representatives Warren Davidson (R-OH), David Kustoff (R-TN), Blaine Luetkemeyer (R-MO), Barry Loudermilk (R-GA) and John Rose (R-TN) questioned what role the lack of real-time settlement in the recent market volatility. Davidson and Kustoff asked if real-time settlement would have prevented the January volatility, to which Tenev responded that it would have. Rose urged that Congress should not rush policy recommendations, as the investigation has just begun. He asked about the advantages of reducing the settlement time. Griffin responded that real-time settlement is a "bridge too far" in the next couple of years.

Representatives Ann Wagner (R-MO), Steve Stivers (R-OH), and William Timmons (R-SC) stated that Robinhood was forced to restrict trading of GameStop securities because of capital requirements. Tenev agreed that this was the case, noting that the National Securities Clearing Corporation (NSCC) had raised their capital requirements ten times in three days.

Representative Nydia Velazquez (D-NY) expressed support for imposing enhanced disclosure requirements around short selling. Plotkin responded that Melvin Capital would operate within the confines of the regulations. Representative Rose asked if regulatory adjustments are needed around short selling, to which Griffin responded that there are many other more pressing issues.

Federal Reserve Governor Lael Brainard Calls for Mandatory Climate Disclosures

Key Points:

- *Governor Brainard recommended moving towards standardized and mandatory disclosures for climate-related risks.*
- *She also expressed support for adopting additional supervisory tools related to climate risk.*

On February 18, Federal Reserve Board Governor Lael Brainard gave a [speech](#) at the Institute of International Finance’s 2021 U.S. Climate Finance Summit. The speech focused on the role of financial institutions in combatting climate change.

In her remarks, Brainard expressed support for mandating uniform data standards and metrics for disclosure to ensure climate risks can be adequately identified and compared across businesses and sectors. She stated:

Current voluntary disclosure practices are an important first step, but they are prone to variable quality, incompleteness, and a lack of actionable data. Ultimately, moving toward standardized, reliable, and mandatory disclosures could provide better access to the data required to appropriately manage risks.

Brainard also called for additional action to protect against climate-related risks, stating:

Even with improved data and disclosures, uncertainty about the future climate trajectory will remain. This residual uncertainty should not stand in the way of making prudent investments in risk-management practices in the near term to strengthen the financial sector against climate-related risks. Instead, supervisory approaches should encourage institutions to take the necessary risk-management steps to ensure their business models and strategies are robust to the wide range of potential outcomes that may evolve over time—including the possible use of new tools where appropriate.

Brainard suggested that scenario analysis could be helpful, as it “allows banks and supervisors to assess business model resilience to a range of long-run scenarios.”

SEC Announces Changes to Contingent Settlement Offer Policy

Key Points:

- *Acting Chair Allison Herren Lee announced that she was directing the Division of Enforcement to no longer recommend settlement offers conditioned on granting a waiver.*
- *Commissioners Hester Peirce and Elad Roisman issued a joint statement in opposition to the decision.*

On February 11, Securities and Exchange Commission (SEC) Acting Chair Allison Herren Lee issued a [statement](#) announcing that she was “taking action to reinforce the critical separation between the Commission’s enforcement process and its consideration of requests for waivers from automatic disqualifications that arise from certain violations or sanctions.” She added:

To ensure that these processes remain fair and serve investors’ interests, the Division of Enforcement will no longer recommend to the Commission a settlement offer that is conditioned on granting a waiver. This return to the division’s long-standing practice ensures that the consideration of waivers is forward looking and focused on protecting investors, the market, and market participants from those who fail to comply with the law.

Commissioners Hester Peirce and Elad Roisman issued a [joint statement](#) expressing disagreement with Acting Chair Lee’s decision:

Openness to contingent settlement offers acknowledges the reality that an entity's willingness to reach a prompt settlement on just and fair terms often is influenced by its concerns regarding the potential collateral consequences of entering into the settlement. The decision to disallow contingent settlement offers denies this reality—but it cannot change it. Insisting that an entity that is willing to settle be left in the dark about whether its waiver application will be granted significantly alters the entity's settlement calculus because it undercuts the certainty and finality that settlement might otherwise provide.

Upcoming Hearings and Meetings

February 23

Federal Reserve: The Senate Banking Committee will hold a hearing on “The Semiannual Monetary Policy Report to the Congress.” Federal Reserve Chairman Jerome Powell is scheduled to testify at the hearing.

Domestic Terrorism: The House Financial Services Committee's Subcommittee on National Security, International Development and Monetary Policy will hold a hearing entitled: “Dollars against Democracy: Domestic Terrorist Financing in the Aftermath of Insurrection.”

Climate Change: The House Financial Services Committee's Subcommittee on Investor Protection, Entrepreneurship and Capital Markets will hold a hearing entitled “Climate Change and Social Responsibility.”

Market Risk Advisory Committee: The Commodity Futures Trading Commission (CFTC) will hold a meeting of its Market Risk Advisory Committee (MRAC). The meeting will include a discussion regarding diversity, equity, and inclusion in the derivatives industry and related financial markets, as well as updates from subcommittees.

February 24

Federal Reserve: The House Financial Services Committee will hold a hearing on “Monetary Policy and the State of the Economy.” Federal Reserve Chairman Jerome Powell is scheduled to testify at the hearing.

Lending Discrimination: The House Financial Services Committee's Subcommittee on Oversight and Investigations will convene for a virtual hearing entitled “How Invidious Discrimination Works and Hurts: An Examination of Lending Discrimination and Its Long-term Economic Impacts on Borrowers of Color.”

March 11

Investor Advisory Committee: The SEC will hold a meeting of its Investor Advisory Committee. The agenda for the meeting includes panels on: (1) Discussion Regarding Self-Directed Individual Retirement Accounts (IRAs); and (2) Discussion Regarding Special Purpose Acquisition Companies (SPACs). The Advisory Committee will also consider recommendations regarding: (1) Minority and Underserved Inclusion; and (2) Credit Rating Agencies.

For more information about financial services issues you may email [Joel Oswald](mailto:Joel.Oswald@williamsandjensen.com) or [Alex Barcham](mailto:Alex.Barcham@williamsandjensen.com).

ENERGY & ENVIRONMENT**Chairman Glick Presides over First FERC Meeting***Key Points:*

- *On February 18, FERC held an open meeting, tackling a full agenda.*
- *President Biden designated Commissioner Richard Glick as the new FERC Chairman on January 21.*
- *During the meeting, FERC closed the Grid Reliability and Resilience Pricing docket, and reopened a review of the Commission's processes for certificating new interstate natural gas pipelines.*

On Thursday, the Federal Energy Regulatory Commission (FERC) held its monthly [open meeting](#), the first under newly designated Chairman Richard Glick.

Glick opened by discussing the Texas energy crisis triggered by this week's cold weather. He remarked that the sustained power losses are "simply unacceptable". He declared that FERC has "a responsibility to ensure this does not happen again." Glick noted that the Commission does not have authority over the Electric Reliability Council of Texas (ERCOT). He added, however that FERC and the North American Electric Reliability Corporation (NERC) have jurisdiction over the bulk-power system and have [announced](#) a joint inquiry regarding its "operations...during extreme weather conditions" in "the Midwest and South central states". Glick stated that he is prepared to support new mandatory standards to address these issues. He also suggested that Congress and the State government should "rethink Texas' go-it-alone approach" in regulating its grid. Glick remarked that "there's not a [generation] resource type that has been immune to the challenges of extreme weather."

Glick observed that the "energy industry is undergoing a dramatic transformation", and announced that the Commission would begin a series of technical conferences on "Modernizing Electricity Market Design".

Glick noted that in 1978 Congress enacted legislation to establish a FERC Office of Public Participation. He announced that Commissioner Allison Clements will take the lead in standing up the Office.

Glick also discussed his [announcement](#) last week to prioritize environmental justice in FERC's decision-making and to establish a senior position to address the issue.

He said that the Commission would reopen for comment the proceeding regarding the Weymouth Compressor Station located in Massachusetts ([FERC press release](#)).

Glick also announced that the Commission would close the Grid Reliability and Resilience Pricing docket, which FERC maintained following its January, 2018 adoption of the "[Order Terminating Rulemaking Proceeding, Initiating New Proceeding, and Establishing Additional Procedures](#)". These actions followed from then-Secretary of Energy Rick Perry's submission of a proposed rule on grid reliability to FERC in 2017. Glick said that it is time to terminate that docket, which he characterized as having "nothing to do with what is going on this week."

Commissioner Neil Chatterjee described the situation in Texas, the Midwest, and the South as “a true humanitarian crisis...[and]...a real tragedy.” He said that FERC will investigate the causes, but emphasized that the immediate priority is “safety and recovery”.

He expressed opposition to closing out the grid reliability docket and emphasized that “I continue to oppose a coal bailout in any way, shape or form.” He said that the docket was intended to “explore [grid resiliency] with a fuel neutral lens.” Chatterjee added, “I strongly support working to squeeze carbon out of the power sector.” He reemphasized, however that “I oppose closing this proceeding.”

Glick said that he is pleased to “have five votes” in support of reopening the Notice of Inquiry (NOI) on “Certification of New Interstate Natural Gas Facilities”. This action revives an earlier initiative undertaken by FERC Chairman Kevin McIntyre. On December 21, 2017, McIntyre announced a review of the Commission’s policy for approving interstate natural gas pipelines. On April 25, 2018, FERC published the [NOI](#) seeking “information and stakeholder perspectives to help the Commission explore whether, and if so how, it should revise its approach under its currently effective policy statement on the certification of new natural gas transportation facilities to determine whether a proposed natural gas project is or will be required by the present or future public convenience and necessity, as that standard is established in section 7 of the Natural Gas Act.” FERC established its current policy framework in 1999, as the “[Policy Statement on Certification of New Interstate Natural Gas Pipeline Facilities](#)”. The Policy Statement delineates the “analytical steps” FERC uses in “deciding whether to authorize the construction of major new pipeline facilities”.

In a [presentation](#), the FERC staff discussed the new NOI and the original NOI, explaining that “the 2018 NOI identified four general areas of examination that remain relevant to the Commission’s considerations: (1) the reliance on precedent agreements to demonstrate need for a proposed project; (2) the potential exercise of eminent domain and landowner interests; (3) the Commission’s evaluation of alternatives and environmental effects under the National Environmental Policy Act and the Natural Gas Act; and (4) the efficiency and effectiveness of the Commission’s certificate processes.” The new NOI “seeks comments on several new questions in some of these areas that modify or add to the 2018 NOI.” It also “poses new questions on a fifth broad issue area of examination: the consideration of effects on environmental justice communities.”

The Commission will hold its next [open meeting](#) on Thursday, March 18.

Energy Subcommittee Examines Climate Change

Key Points:

- *On Thursday, the House Energy Subcommittee heard testimony on the decarbonization of the U.S. energy sector.*
- *Members also discussed this week’s weather-related power disruptions in Texas and other states.*
- *Full Energy and Commerce Committee Chairman Frank Pallone announced that he would soon introduce “an updated version of the CLEAN Future Act that will serve as the basis for comprehensive climate action this year.”*

On February 18, the House Energy and Commerce Committee’s Subcommittee on Energy held a [hearing](#) titled “A Smarter Investment: Pathways to a Clean Energy Future.”

In his [opening statement](#), full committee Chairman Frank Pallone (D-NJ) noted that the panel's Democrats in 2020 issued a draft bill, the "[CLEAN Future Act](#)", which he described as "comprehensive climate legislation to get us to a 100 percent clean economy by 2050." He announced, "In the coming weeks, we plan to introduce an updated version of the CLEAN Future Act that will serve as the basis for comprehensive climate action this year." Pallone noted that the legislation "includes a federal clean electricity standard, or CES, a policy that has long existed in many states...[and] sets forth policies to drastically reduce energy consumption in the building, transportation and industrial sectors, among others."

Full committee Ranking Member Cathy McMorris Rodgers called for the U.S. to pursue practical policies to enable a clean energy future. She remarked that the Democrats are pushing unilateral action and are rejecting fossil energy. McMorris Rodgers asserted that the power outages in Texas and surrounding states were influenced by the unreliable nature of renewable energy. She warned that low-income families will suffer if a shift to clean energy increases costs, remarking that "during the pandemic recovery, families cannot afford an increase in their electricity and gasoline bills." McMorris Rodgers added that the transition also has consequences for national security and energy security.

Environmental and energy equity was one of the topics discussed during the hearing. Subcommittee Chairman Bobby Rush (D-IL) announced that he would introduce a bill to establish a Department of Energy office to advance energy equity.

Other topics discussed during the hearing included: decarbonization; natural gas; carbon capture; electric transmission; nuclear power; solar energy; and hydropower.

Upcoming Hearings and Events

February 23

Department of Interior Nominee: The Senate Energy and Natural Resources Committee will hold a [hearing](#) on the nomination of Representative Debra Haaland (D-NM) to be the Secretary of the Interior.

February 24

Electric Quarterly Report: The Federal Energy Regulatory Commission (FERC) will hold an initial [technical conference](#) regarding reassessment of the Electric Quarterly Report requirements.

Infrastructure: The Senate Environment and Public Works Committee will hold a [hearing](#) titled "Building Back Better: Investing in Transportation while Addressing Climate Change, Improving Equity, and Fostering Economic Growth and Innovation".

March 18

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

March 23-24

Development of the Electricity Sector: The Federal Energy Regulatory Commission (FERC) will hold a [technical conference](#) on "Resource Adequacy in the Evolving Electricity Sector".

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

HEALTH

Biden Name CMS Nominee; Becerra Hearings Next Week

Key Points:

- *President Joe Biden has nominated Chiquita Brooks-LaSure to be Administrator of the Centers for Medicaid and Medicare Services.*
- *Next week, Senate committees will begin hearings on Xavier Becerra's nomination for Secretary of the Department of Health and Human Services.*

President Joe Biden has nominated Chiquita Brooks-LaSure for Administrator of the Centers for Medicare and Medicaid Services (CMS). Brook-LaSure is an experienced health staffer who was co-lead of Biden's Department of Health and Human Services (HHS) agency review team.

Brooks-LaSure helped lead the implementation of the Affordable Care Act (ACA) at CMS's Center for Consumer Information and Insurance Oversight. Before joining the Obama Administration, she was a health staffer on the House Ways and Means Committee where she helped get the ACA passed. During her time on the Committee, Brooks-LaSure also worked with HHS Secretary nominee Xavier Becerra who was a member of the committee at the time. She started her career as a Medicaid analyst at the Office of Management and Budget.

Next week, the Senate Health, Education, Labor and Pensions Committee and the Senate Finance Committee will each hold hearings on Becerra's nomination for HHS Secretary.

President Biden and White House Senior COVID-19 Advisor Andy Slavitt Detail Vaccine Strategy

Key Points:

- *On February 16, the President Joe Biden participated in a town hall on CNN to discuss measures the Administration has taken to address the coronavirus (COVID-19) pandemic.*
- *On February 18, the Washington Post hosted an interview with Senior Advisor to the White House COVID-19 Response Team Andy Slavitt to discuss the Biden Administration's strategy to defeat the pandemic.*

On February 16, the President Joe Biden participated in a town hall on CNN. Biden assured that 600 million vaccine doses will be available by the end of July, which he noted is enough to vaccinate every American. He clarified this forecast is based only on the two currently available vaccines and does not account for the possibility of additional doses if a third vaccine receives emergency use authorization (EUA) from the Food and Drug Administration (FDA). He outlined efforts the Administration has taken to increase supply and secure additional vaccine doses, including invoking the Defense Production Act (DPA) and speeding up the manufacturing process of both authorized vaccines.

When asked about vaccine distribution and eligibility, Biden explained that each state makes decisions on vaccine priority groups once the vaccine has arrived. He said priority in each state should be based on recommendations from the Centers for Disease Control and Prevention (CDC), the Advisory Committee on Immunization Practices (ACIP), and career public health experts. He asserted teachers should receive priority designation where possible so students can be returned to the classroom safely. Biden described new initiatives to address racial disparities in the health care system, including authorizing local pharmacies to administer vaccines, directing 1 million vaccine doses each week to community health centers, and deploying mobile vaccine units into isolated communities. He added that the two available vaccines still offer some protection against variant strains of COVID-19 and encouraged all Americans to get vaccinated as soon as possible.

In his interview with the Washington Post, Senior Advisor to the White House COVID-19 Response Team Andy Slavitt highlighted improvements to the vaccine effort since President Biden took office: (1) a 58 percent increase in supply to states; (2) recruitment and training initiatives to secure more vaccinators; (3) extending distribution to 6,500 pharmacy locations; and (4) the creation of more vaccination sites. Slavitt recalled that when Biden entered White House, states had only distributed 46 percent of delivered vaccines and said this number has since increased to an average of 75 percent. He attributed this change to improved visibility provided by longer dose availability forecasts, which he noted has been a large part of the Administration's effort to create more transparency.

Slavitt observed reports of vaccine hesitancy across the country, particularly communities of color. He acknowledged the validity of vaccine hesitancy and emphasized the importance of responding to hesitancy with a dialogue that validates concerns while correcting misconceptions. He said many Americans want to see how the vaccine impacts others before taking the vaccine themselves. He highlighted the role of local doctors, community figures, and church leaders in combatting vaccine hesitancy on a community level. He said disinformation and rumors can hurt the vaccine campaign and reiterated that the vaccines are safe and effective. He also stressed the need to take active steps to vaccinate communities of color and praised the aforementioned equity initiatives undertaken by President Biden.

On the topic of virus variants, Slavitt explained the approved vaccines are marginally less effective on variants but still work above the threshold for efficacy. He said pharmaceutical companies have already launched trials to assess COVID-19 variants and mentioned companies have discussed plans to update vaccines or create booster doses to cover virus mutations. He added Johnson & Johnson is currently evaluating vaccine performance on a two-dose schedule rather than the originally planned single dose platform. He urged Americans to keep track of which company's vaccine they receive but said doses from different companies can be mixed in scenarios in which the person is unable to remember which vaccine they received.

Upcoming Hearings and Meetings

February 23

HHS Secretary: The Senate Health, Education, Labor and Pensions Committee will hold a hearing on the "Nomination of Xavier Becerra to serve as Secretary of Health and Human Services."

Vaccine Access: The House Energy and Commerce Committee will hold a hearing on: “Pathway to Protection: Expanding Availability of COVID-19 Vaccines.”

February 24

Public Health: The House Appropriations Committee will hold a hearing on “Ready or Not: U.S. Public Health Infrastructure.”

HHS Secretary: The Senate Finance Committee will hold a hearing on the “Nomination of Xavier Becerra, of California, to be Secretary of Health and Human Services.”

February 25

HHS Nominations: The Senate Health, Education, Labor and Pensions Committee held a hearing on the “Nominations of Vivek Murthy to serve as Medical Director in the Regular Corps of the Public Health Service and Surgeon General of the Public Health Service, and Rachel Levine to serve as Assistant Secretary of Health and Human Services.”

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

TRADE

Senate Finance Committee to Hold Katherine Tai’s USTR Nomination Hearing Next Week

The Senate Finance Committee will hold a nomination hearing for Katherine Tai, President Biden’s choice for U.S. Trade Representative (USTR), on Thursday February 25, at 10 a.m. Before her nomination, Tai was the top trade attorney on the House Ways and Means Committee. Tai is expected to be a non-controversial nominee. If Tai’s nomination is advanced by the Finance Committee, she will need to clear a Senate-wide vote before being sworn into office. She is widely expected to be confirmed relatively easily.

Reports suggest there is a goal of getting Tai through the Senate by March 1.

Upcoming Hearings and Meetings

February 25

USTR Nomination: The Senate Finance Committee will hold a nomination [hearing](#) for Katherine Tai to be U.S. Trade Representative (USTR).

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.