



January 21, 2022

Washington Update

This Week In Congress

Senate – The Senate failed to advance a legislative vehicle ([H.R. 5746](#)) combining elements of the John R. Lewis Voting Rights Advancement Act ([H.R. 4](#)) and the Freedom to Vote Act ([S. 2747](#)). The Senate also failed to adopt a motion to modify the Senate rules to allow the bill to pass by a majority vote following a “talking filibuster.” The Senate confirmed Holly Thomas to be United States Circuit Judge for the Ninth Circuit.

House – The House passed the Ensuring Veterans’ Smooth Transition Act ([H.R. 4673](#)), and the Supplemental Impact Aid Flexibility Act ([S. 2959](#)).

Next Week In Congress

Senate – The Senate will be in recess and meet in pro forma session. The Senate is scheduled to reconvene on January 31. Upon reconvening, the Senate is expected to resume its consideration of pending judicial, ambassadorial, and federal agency nominees.

House – The House will be in recess and meet in pro forma session. The House is scheduled to reconvene on February 1.

TAX

President Biden Signals He Would Support Breaking Up Build Back Better

Key Point:

- *President Biden announced during a press conference earlier this week he would support breaking up the Build Back Better Act.*

On Wednesday January 19, President Biden expressed support for breaking up his cardinal piece of legislation the “Build Back Better Act” ([H.R. 5376](#)). The President held a two-hour press conference on Wednesday in which he was asked by a reporter about the legislation where he stated, “It’s clear to me we’ll have to probably break it up.” This comes after Senator Manchin (D-WV) announced at the end of 2021 he would not support the “Build Back Better Act” as written. Internal Democratic discussions have been ongoing as to how and when to revise the legislation to appeal to more moderate Democratic Senators such as Senators Manchin and Sinema (D-AZ).

The original sponsor of the legislation, House Budget Committee Chairman Yarmuth (D-KY), recently stated he believes the problem with the legislation is the name, which he believes links the package too much to infrastructure investment saying, “We ought to ditch the name and call it the American Families

Plan, which is what it was originally.” President Biden also indicated during his press conference he does believe it is possible to sign legislation into law before the midterm elections in November, but it remains unclear how many of the provisions in the original text of the bill may become law.

Prominent House Republicans Send Letter to IRS Commissioner Rettig on Tax Return Backlog

Key Point:

- *Four House Republicans sent a letter to IRS Commissioner Rettig concerning the significant backlog of consumer tax returns.*

Earlier this week a number of high-profile House Republicans sent a [letter](#) to Internal Revenue Service (IRS) Commissioner Rettig concerning the build-up of the backlog consumer tax returns. The letter was signed by Ways and Means Committee Ranking Member Brady (R-TX), Appropriations Committee Ranking Member Granger (R-TX), Ways and Means Oversight Subcommittee Ranking Member Rice (R-SC), and Appropriations Subcommittee on Financial Services and General Government Ranking Member Womack (R-AR). The letter cited data from the Department of Treasury which showed the IRS now has 8.2 million unprocessed returns, 4.2 million returns in suspension, and 3.6 million pending amended returns. The letter states “The ongoing IRS return processing backlog and related customer service failures have reached crisis levels as the new filing season approaches – we write to ask for an explanation of what significant actions the IRS will take in the coming weeks to mitigate this crisis. Urgent action is needed, and it is needed now.” The letter calls on Commissioner Rettig to respond by January 24, 2022, with an explanation of what significant actions the agency will take to mitigate this crisis.

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 Energy and Commerce Holds Hearing on the Energy Impact of Blockchains and Cryptocurrency

Key Points:

- *Chairwoman Diana DeGette (D-CO) raised concerns with the amount of energy used in the cryptocurrency mining process.*
- *BitFury CEO Brian Brooks emphasized the economic benefits of cryptocurrency, as well as the energy efficiency efforts of the industry.*

On January 20, the House Energy and Commerce Committee’s Subcommittee on Oversight and Investigation held a [hearing](#) entitled “Cleaning Up Cryptocurrency: The Energy Impact of Blockchains.” Chairwoman Diana DeGette (D-CO) highlighted the environmental impacts which accompany the

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mining of cryptocurrencies. She explained blockchain technology has numerous potential applications which will make the lives of Americans more secure and efficient like improving the use of healthcare records or smart contracts. She underscored the need to expand the use of blockchain technology in order to continue innovation while understanding the impact on the environment. She added proof of work involves millions of computers racing to solve a complicated puzzle and be rewarded with a valuable prize such as a new token. She stressed the energy consumption needed to mine Ethereum and Bitcoin on proof of work protocols is substantial. She urged the Committee to discuss the high volume of electric waste which is accompanied by crypto mining. She added new computers are often built out just for mining purposes and cannot be used for any other subject and thus must be thrown away when they become obsolete. She underscored the need to minimize the effects of cryptocurrency mining on the environment.

Ranking Member Morgan Griffith (R-VA) highlighted the growing popularity of cryptocurrency. He noted the efficiencies of blockchain, and he stated cryptocurrencies which apply blockchain are now digital tokens and digital payment systems all in one. He acknowledged that the cryptocurrency mining process does consume significant amounts of energy and he noted Bitcoin mining makes up the largest share of energy consumption from cryptocurrency mining. He added more complex computer systems are now needed in order to mine additional amounts of the cryptocurrency, and he added experts have estimated that Bitcoin mining uses between 110-188 terawatts of the world's energy annually. He said proof of stake concepts generally consume less electricity, but he added other experts have expressed concern over this concept because it has too few validators validating the transactions. He explained most energy providers have contracts which state cryptocurrency mining customers will turn on and off their load depending on demand and the availability of the electrical supply. He reported that cryptocurrency miners in Texas are enrolling in a program to become a controllable load resource to provide stability to the grid and lower costs to consumers. He added that cryptocurrency miners are now partnering with solar farms to use excess energy during the day, and he also noted cryptocurrency miners are repurposing abandoned natural gas wells to capture flare gas and use it for energy.

Full Committee Chairman Frank Pallone Jr. (D-NJ) stressed blockchain and cryptocurrency brings enormous promise for the economy, and he stated this hearing is not designed to stifle growth in the industry. He added this industry does use a tremendous amount of energy and he stated Bitcoin and Ethereum mining generated 78.8 million tons of carbon last year alone. He highlighted the President's climate goals and he stressed that to achieve this goal the country cannot bring old power plants back online to support cryptocurrency mining operations. He explained the "Infrastructure Investments and Jobs Act" ([H.R. 3684](#)) has already made vital investments to support the clean energy transition. He recalled stories of cryptocurrency mining operations moving into towns with cheap electricity and then chewing up all of the excess energy the small town needed and driving up prices.

BitFury CEO Brian Brooks, Chief Executive Officer, BitFury testified that Bitcoin is important because it introduced the world to a decentralized form of finance. He explained BitFury is one of the most energy efficient Bitcoin mining operations in the world. He emphasized not all energy consumption is

created equal and he noted Bitcoin often consumes an electricity bundle which is twice as clean as the U.S. energy consumption as a whole. He urged the Committee to view the economic benefits of Bitcoin through a lens of the amount of energy it consumes. He noted if Bitcoin competes with traditional finance the question is does Bitcoin produce more economic benefit per unit of energy than traditional finance. He explained that Bitcoin's energy usage is substantial, but it is clear that the 188-terawatt hours used by Bitcoin last year was sourced more sustainably than average electricity.

Senate Banking Committee Advances Financial Regulator Nominees

Key Point:

- *The Committee advanced nominees to the Export-Import Bank, HUD, the NCUA, and the FHFA.*

On January 19, the Senate Banking Committee held an [executive session](#) and approved the following nominations:

- Mr. Arun Venkataraman, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service. The nomination was approved by voice vote.
- Ms. Reta Jo Lewis, to be President of the Export-Import Bank of the United States. The nomination was approved by a vote of 13-11.
- The Honorable Judith DelZoppo Pryor, to be First Vice President of the Export-Import Bank. The nomination was approved by voice vote.
- Mr. Owen Edward Herrnsstadt, to be a Member of the Board of Directors of the Export-Import Bank. The nomination was approved by voice vote.
- Ms. Parisa Salehi, to be Inspector General, Export Import Bank. The nomination was approved by voice vote.
- Mr. David Uejio, to be an Assistant Secretary of Housing and Urban Development. A roll call voted on the nomination tied at 12-12.
- Ms. Elizabeth de Leon Bhargava, to be an Assistant Secretary of Housing and Urban Development. The nomination was approved by voice vote.
- Ms. Julia Ruth Gordon, to be an Assistant Secretary of Housing and Urban Development. A roll call voted on the nomination tied at 12-12.
- Mr. Solomon Jeffrey Greene, to be an Assistant Secretary of Housing and Urban Development. A roll call voted on the nomination tied at 12-12.
- Mr. James Arthur Jemison, to be an Assistant Secretary of Housing and Urban Development. A roll call voted on the nomination tied at 12-12.
- The Honorable Todd M. Harper, to be a Member of the National Credit Union Administration Board. The nomination was advanced by a vote of 17-7.
- Mr. Brian Michael Tomney, to be Inspector General of the Federal Housing Finance Agency. The nomination was approved by voice vote.

For the nominees with tied votes, the Senate will need to approve a motion to discharge before proceeding.

Federal Reserve Releases Discussion Paper Regarding Central Bank Digital Currencies

Key Points:

- *Potential benefits listed included faster payment services, improved cross-border payments, support for the dollar's international role, and financial inclusion.*
- *Potential risks described included changes to market structure, safety and stability of the financial system, effects on monetary policy, challenges with prevention of financial crimes, and operational resilience and cybersecurity.*

On January 20, the Federal Reserve released a [discussion paper](#) entitled “Money and Payments: The U.S. Dollar in the Age of Digital Transformation.” The paper examined the potential pros and cons of a central bank digital currency (CBDC).

The paper listed the Federal Reserve’s principles that any U.S. CBDC should:

- provide benefits to households, businesses, and the overall economy that exceed any costs and risks;
- yield such benefits more effectively than alternative methods;
- complement, rather than replace, current forms of money and methods for providing financial services;
- protect consumer privacy;
- protect against criminal activity; and
- have broad support from key stakeholders.

The paper also emphasizes that any CBDC must have the following characteristics:

“Privacy-protected: Protecting consumer privacy is critical. Any CBDC would need to strike an appropriate balance, however, between safeguarding the privacy rights of consumers and affording the transparency necessary to deter criminal activity.

Intermediated: The Federal Reserve Act does not authorize direct Federal Reserve accounts for individuals, and such accounts would represent a significant expansion of the Federal Reserve’s role in the financial system and the economy. Under an intermediated model, the private sector would offer accounts or digital wallets to facilitate the management of CBDC holdings and payments. Potential intermediaries could include commercial banks and regulated nonbank financial service providers, and would operate in an open market for CBDC services. Although commercial banks and nonbanks would offer services to individuals to manage their CBDC holdings and payments, the CBDC itself would be a liability of the Federal Reserve. An intermediated model would facilitate the use of the private sector’s existing privacy and identity-management frameworks; leverage the private sector’s ability to innovate; and reduce the prospects for destabilizing disruptions to the well-functioning U.S. financial system.

Transferable: For a CBDC to serve as a widely accessible means of payment, it would need to be readily transferable between customers of different intermediaries. The ability to transfer value seamlessly between different intermediaries makes the payment system more efficient by allowing money to move freely throughout the economy.

Identity-verified: Financial institutions in the United States are subject to robust rules that are designed to combat money laundering and the financing of terrorism. A CBDC would need to be designed to comply with these rules. In practice, this would mean that a CBDC intermediary would need to verify the identity of a person accessing CBDC, just as banks and other financial institutions currently verify the identities of their customers.”

The report notes that the potential benefits of a CBDC include: (1) Safely Meet Future Needs and Demands for Payment Services; (2) Improvements to Cross-Border Payments; (3) Support the Dollar’s International Role; (4) Financial Inclusion; and (5) Extend Public Access to Safe Central Bank Money.

The report also cites the potential risks and policy considerations for a CBDC: (1) Changes to Financial-Sector Market Structure; (2) Safety and Stability of the Financial System; (3) Efficacy of Monetary Policy Implementation; (4) Privacy and Data Protection and the Prevention of Financial Crimes; and (5) Operational Resilience and Cybersecurity.

In its conclusion, the paper explains:

The Federal Reserve will only take further steps toward developing a CBDC if research points to benefits for households, businesses, and the economy overall that exceed the downside risks, and indicates that CBDC is superior to alternative methods. Furthermore, the Federal Reserve would only pursue a CBDC in the context of broad public and cross-governmental support.

The Federal Reserve welcomes comments from all stakeholders on the questions listed below. The Federal Reserve will also conduct targeted outreach and convene public forums to foster a broad dialogue about CBDC.

Senate Banking Committee Chairman Sherrod Brown (D-OH) released a [statement](#) in which he referred to the report as a “good first step toward designing a central bank digital currency that will bring more Americans into our banking system and help maintain the United States’ leadership in the global economy.” Ranking Member Pat Toomey (R-PA) released the following [statement](#):

Cryptocurrencies, digital assets, and their underlying technologies offer tremendous potential benefits. As such, I’m glad the Fed has constructively contributed to the necessary ongoing public discussion regarding the issuance of a CBDC.

I’m encouraged the report acknowledges the need for clear support from Congress prior to the issuance of a CBDC. The report also rightfully recognizes that the Fed offering retail accounts is not only a terrible idea, but also impermissible by law.

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While the report mentions the importance of CBDC privacy, I'm concerned the Fed does not clearly explain how it would protect consumer transaction data. There's also a question in my mind whether the Fed's report implies that a CBDC would not allow for direct peer-to-peer transactions. This characteristic is fundamental.

Today's report is an important step by the Fed in acknowledging the permanence of cryptocurrencies and their underlying technologies. I look forward to working with the Fed and my colleagues in Congress to consider the authorization of a properly designed CBDC.

House Financial Services Panel Holds Hearing on the CDBG-DR Program

Key Point:

- *The Subcommittee examined possible reforms to improve the Community Development Block Grant Disaster Recovery Program.*

On January 19, the House Financial Services Committee's Subcommittee on Oversight and Investigation held a [hearing](#) entitled "Ensuring Equitable Delivery of Disaster Benefits to Vulnerable Communities and Peoples: An Examination of the GAO's findings of the CDBG-DR Program."

Chairman Al Green (D-TX) recalled in 2020 Chairwoman Waters asked the Government Accountability Office (GAO) to assess the degree to which federal disaster recovery resources are meeting the needs of vulnerable populations. He lamented the fact that vulnerable populations often include people of color, those with limited English proficiency and the elderly. He noted the report from the GAO recommends the Department of Housing and Urban Development (HUD) collect information on how the Community Development Block Grant Disaster Relief (CDBG-DR) program benefits those in vulnerable communities. He recalled half of the funds received by the state of Texas for Hurricane Harvey relief still remains unspent because the state's action plan remains unfinished. He stated he introduced legislation with Representative Ann Wagner (R-MO), which passed the House in 2016 to hasten the data collection process as it relates to the CDBG-DR program.

Ranking Member Tom Emmer (R-MN) stated the CDBG-DR program is one way Congress assists with the local recovery process. He highlighted the program's mission which is to provide targeted relief so effective communities can rebuild their infrastructure. He expressed concern the program has a history of waste, fraud and abuse. He noted bureaucratic gridlock often hampers the distribution of funds which causes funds to remain unspent years after the emergency. He stressed the CDBG-DR fails today to meet the needs of the most vulnerable. He applauded Chairman Green (D-TX) and Representative Wagner (R-MO) for their efforts to strengthen this program. He expressed concern that some of his colleagues have proposed to appropriate money in advance of disasters and he stressed this program must not be subjected to annual appropriations. He stated communities are currently left without a clear understanding on where to turn after a disaster and how to use CDBG-DR funds. He added HUD's

Office of the Inspector General has spent years investigating this program's effectiveness and he underscored the need to establish the proper oversight structure of this program.

Representative Nikema Williams (D-GA) highlighted the racial wealth gap in Atlanta, and she stressed this hearing is extremely timely. She noted Fulton County Georgia is the most tornado prone county in Georgia and she stressed her constituents have seen and will see again major natural disasters.

Upcoming Hearings and Meetings

January 26

SEC Open Meeting: The Securities and Exchange Commission (SEC) will hold an open meeting to consider two items: (1) whether to propose amendments to Form PF to require current reporting and amend reporting requirements; and (2) whether to propose amendments to the definition of an exchange under the Securities Exchange Act of 1934 and re-propose amendments to Regulation ATS for ATSS That Trade U.S. Government Securities, NMS Stock, and Other Securities and to Regulation SCI for ATSS That Trade U.S. Government Securities.

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

ENERGY & ENVIRONMENT

Subcommittee Considers Pipeline Reliability Legislation

Key Points:

- *On Wednesday, the House Energy Subcommittee held a hearing to review the "Energy Product Reliability Act".*
- *The bill, which would impose federal reliability standards for pipelines, drew support from Democrats and opposition from Republicans.*

On January 19, 2022, the House Energy and Commerce Committee's Energy Subcommittee held a [hearing](#) titled, "Securing our Energy Infrastructure: Legislation to Enhance Pipeline Reliability." The hearing focused on the "Energy Product Reliability Act" ([H.R. 6084](#)), which was introduced by Subcommittee Chairman Bobby Rush (D-IL). The bill would "require the Federal Energy Regulatory Commission to certify an Energy Product Reliability Organization which shall, subject to Commission review, establish and enforce energy product reliability standards" for natural gas, crude oil, and refined product pipelines. Federal Energy Regulatory Commission (FERC) Chairman Richard Glick, and Deputy Secretary of Energy David Turk testified before the Subcommittee.

In his testimony, Glick declared that "legislation to establish and enforce reliability standards for the pipeline network will better secure the reliability of our Nation's energy infrastructure in the face of threats such as extreme weather and cyber-attacks."

Subcommittee Democrats expressed support for the legislation, citing weather and cybersecurity incidents in 2021 that affected the operations of natural gas and refined product pipelines. They also pointed to the mandatory reliability standards for the electric grid promulgated by FERC and the North American Electric Reliability Corporation (NERC) as a successful model for the proposed pipeline-focused Energy Product Reliability Organization.

Republicans signaled their opposition to H.R. 6084, warning that it would impose duplicative and costly requirements. Subcommittee Ranking Member Fred Upton (R-MI) called instead for action on the bipartisan “Pipeline and LNG Facility Cybersecurity Preparedness Act” ([H.R. 3078](#)).

FERC Holds First Open Meeting of 2022

Key Point:

- *In its meeting on January 20, the Federal Energy Regulator Commission acted on liquid pipeline rates and signaled upcoming changes to the criteria it applies in reviewing applications for new interstate natural gas pipelines.*

On Thursday, the Federal Energy Regulatory Commission (FERC) held its first monthly meeting of the new year. Among other actions, the Commission revisited a prior order setting limits on oil and refined product pipeline rates, lowering the index that caps what operators can charge through 2026. Chairman Glick and other commissioners also signaled their intent to set tighter standards for review of new interstate natural gas pipelines.

Oil Pipeline Rate Index: On February 16, 2021, FERC published the original [Order Establishing Index Level](#). The Order established “an index level of Producer Price Index for Finished Goods plus 0.78% (PPI-FG+0.78%) for the five-year period commencing July 1, 2021” as a ceiling for rates liquid pipelines could charge to shippers. Chairman Richard Glick voted against the Order, and filed a [dissent](#). He criticized the rate index as “not only inappropriate, [but]...against what the Commission promised consumers.” At the time he suggested that the Order would be vulnerable to challenge through litigation and that FERC itself could revisit it. In remarks on Thursday, Glick described what he characterized as the two defects of the original order that are changed in the new order:

- “First, instead of relying on the cost data of the middle 50 percent of pipeline companies to calculate the index rate, which the Commission had done in 2010 and 2015, the Commission chose to measure the changes using data for the middle 80 percent of pipeline companies.”
- “Second, the Commission also reversed course by refusing to take into account the Commission’s 2018 policy to eliminate certain income tax accounting mechanisms for master limited partnerships.”

In a [press release](#), FERC states that the new order “established an index level of Producer Price Index for Finished Goods minus 0.21% (PPI-FG-0.21%).” The Commission also directs pipeline operators to “recompute their ceiling levels based on the new index level, to be effective March 1, 2022.”

Algonquin Pipeline/Weymouth Compressor Station: In another action, FERC declined to reopen the certificate authorizing the Algonquin Pipeline, which the Commission issued in 2017. Activists and residents near a compressor station in Weymouth, Massachusetts sought a rehearing from FERC. While the Commission found no legal basis to take that action, commissioners signaled support for a more rigorous process for reviewing certificates going forward.

In his [statement](#), Chairman Glick described actions FERC has taken under his leadership to increase public input in the FERC review of natural gas pipelines: “the Commission established and filled a new senior role tasked with integrating environmental justice and equity into the Commission’s decision-making processes, formally sought input on how we consider environmental justice in various aspects of jurisdiction, and, last but by no means least, created an Office of Public Participation to facilitate public engagement in Commission proceedings.”

In her [statement](#), Commissioner Clements reiterated her interest in FERC issuing “a modernized natural gas pipeline certification policy.” She asserted that “the Commission’s 1999 policy statement is outdated and deeply flawed.” She also emphasized that “ensuring that future certificate decisions are based on a full analysis of need and environmental impacts, including fulsome consideration of potential impacts on environmental justice communities, would lend a great deal more support for, and therefore credibility and durability to, the decisions made.”

On February 24, 2021, FERC published a [Notice of Inquiry \(NOI\)](#) titled “Certification of New Interstate Natural Gas Facilities”. The NOI requested public comment on potential revisions to FERC’s 1999 Policy Statement, which set forth the framework for how the Commission evaluates certificate applications for new construction of interstate natural gas pipelines. In 2018, under then-Chairman Kevin McIntyre, FERC issued a similar NOI, which resulted in more than 3000 public comments.

A FERC [staff presentation](#) on the 2021 NOI described four issue areas addressed by the 2018 NOI that “remain relevant to the Commission’s considerations”:

- “the reliance on precedent agreements to demonstrate need for a proposed project;”
- “the potential exercise of eminent domain and landowner interests;”
- “the Commission’s evaluation of alternatives and environmental effects under the National Environmental Policy Act and the Natural Gas Act; and”
- “the efficiency and effectiveness of the Commission’s certificate processes.”

The 2021 NOI adds the impacts of pipeline projects on “environmental justice communities” as a fifth topic. The staff presentation explained that “environmental justice communities” include “(i) populations of color; (ii) communities of color; (iii) Native communities; and (iv) and low-income rural and urban communities, who are exposed to a disproportionate burden of the negative human health and environmental impacts of pollution or other environmental hazards.”

Grid Cybersecurity: FERC also issued a [Notice of Proposed Rulemaking \(NOPR\)](#) titled “Internal Network Security Monitoring for High and Medium Impact Bulk Electric System Cyber Systems”. The NOPR “proposes to direct the North American Electric Reliability Corporation to develop and submit for Commission approval new or modified Reliability Standards that require internal network security monitoring within a trusted Critical Infrastructure Protection networked environment for high and medium impact Bulk Electric System Cyber Systems.”

Federal Environment and Energy Policy Developments to Watch in 2022

For an overview of pending policy developments and regulations, a Williams & Jensen [Energy and Environment Update](#) covers:

- Power Sector Greenhouse Gas Regulations
- HFCs
- Waters of the United States
- PFAS
- Renewable Fuel Standard
- Environmental Justice
- Pipeline Valve Regulations
- Gas Distribution System Rules
- FERC Review of Natural Gas Pipelines
- Bipartisan Infrastructure Law Implementation
- America the Beautiful Initiative
- EPA Oil and Gas Regulations

Upcoming Hearings and Events

January 25

Pipeline Cybersecurity: The Energy Bar Association’s (EBA) Gas, Oil & Liquids Steering Committee and its Texas Chapter will hold a [“Panel on Cybersecurity”](#). Participants in the event include: Mark Bristow, Branch Chief, Cyber Defense Coordination, Threat Hunting, Cybersecurity and Infrastructure Security Agency (CISA); Sonya Procter Assistant Administrator for Surface Operations, Transportation Security Administration (TSA); and Barry Kuehnle, Energy Infrastructure and Cyber Security Advisor, Federal Energy Regulatory Commission (FERC).

January 26-27

Environmental Justice: The White House Environmental Justice Advisory Council will hold a [virtual public meeting](#). The agenda includes “discussion and deliberation of draft recommendations to the Chair of the Council on

Environmental Quality and the White House Interagency Council on Environmental Justice from the Justice40 Work Group, Climate and Economic Justice Screening Tool Work Group, and the Scorecard Work Group”.

February 2

Northeast Energy: The Energy Forum will hold a [virtual panel discussion](#) titled “The Evolving Northeastern Energy Mix, Challenges and Opportunities”.

February 3

Energy and Interior Nominations: The Senate Energy and Natural Resources Committee will hold a [hearing](#) on the nominations of: Maria Robinson to be Assistant Secretary of Energy for Electricity;

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Joseph DeCarolis to be Administrator of the Energy Information Administration (EIA); and Laura Daniel-Davis to be Assistant Secretary of the Interior for Land and Minerals Management.

February 16

Electric Transmission: FERC will hold a [meeting](#) of the “Joint Federal-State Task Force on Electric Transmission”. FERC established the Task Force on June 17, 2021, to “focus on topics related to planning and paying for transmission, including transmission to facilitate generator interconnection, that provides benefits from a federal and state perspective.”

February 17

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

February 28-March 1

Biofuels and Greenhouse Gases: The Environmental Protection Agency (EPA) will hold a “[Workshop on Biofuel Greenhouse Gas Modeling](#)”. The workshop is intended “to solicit information on the current scientific understanding of greenhouse gas modeling of land-based crop biofuels used in the transportation sector.” The workshop will develop information for a “range of current and future actions, including EPA’s methodology for quantifying the greenhouse gas emissions under the Renewable Fuels Standard.”

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...”

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

HEALTH

HHS Provides Support for Providers

Key Point:

- *The Department of Health and Human Services announced the award of \$103 million to improve the retention of health care workers and promote mental health and wellness among the health care workforce.*
- *The awards will be disbursed to 45 grantees for evidence-informed programs with specific focus on providers in rural and underserved communities.*

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On January 20, the Department of Health and Human Services (HHS) announced it will be awarding \$103 million through the Health Resources and Services Administration (HRSA) to improve the retention of health care workers and help reduce burnout. The funds are from the American Rescue Plan. HHS Secretary Xavier Becerra stated “this funding reflects the Biden-Harris Administration’s commitment to ensuring we have enough critical frontline workers by support health care providers now and beyond as they face burnout and mental health challenges.”

Funds will be distributed to 45 grantees. HRSA is awarding \$28.6 million through the Promoting Resilience and Mental Health Among Health Professional Workforce program to help establish, improve, or expand evidence-informed programs and practices to promote mental health and well-being. It is awarding 68.2 million through the Health and Public Safety Workforce Resiliency Training program to support evidence-informed training development within health profession and nurse training activities. It aims to reduce burnout among health care students, residents, health care professionals, paraprofessionals, trainees, and public safety officers, such as firefighters, law enforcement officers, and ambulance crew members. HRSA is also awarding \$6 million to George Washington University to provide training and technical assistant to the other awardees.

See a full list of recipients [here](#).

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

CYBERSECURITY & PRIVACY

White House Issues Memorandum on Cybersecurity

Key Point:

- *President Biden signed a memorandum requiring agencies to report cyber incident impacts on systems critical to national security.*

The White House released the Memorandum on Improving the Cybersecurity of National Security, Department of Defense, and Intelligence Community Systems, which authorizes the National Security Agency (NSA) to issue binding operational directives to respond to cyber threats, establishes timelines for networks critical to national security to adopt safety measures, and directs the NSA in coordination with other intelligence agencies to create a framework to coordinate a cybersecurity approach to commercial cloud systems within 90 days. Please find the memo [here](#).

FERC Proposes Power Grid Cybersecurity Standards

Key Point:

- *The Federal Energy Regulatory Commission (FERC) proposed developing standards to monitor devices or equipment on bulk power systems that would seek to find hackers within networks.*

FERC proposed standards to monitor bulk power systems and discover hackers within networks, citing the SolarWinds breach as evidence for the standards. FERC Chairman Richard Glick stated the cybersecurity standards are meant to ensure companies are vigilant against hackers and to recognize breaches as quickly as possible to take decisive action. There is a 60-day comment period on the proposal. The proposed rulemaking directs the North American Electric Reliability Corporation to submit new or modified Reliability Standards to address the cyber gap.

Meta Faces Antitrust Case Over Data Use

Key Point:

- *Facebook (Meta) antitrust litigation continued over an alleged advertising pact with Google and deceptive data privacy promises to users. Additionally, the Federal Trade Commission filed a suit against the company for intentionally acquiring, killing, or copying promising startups.*

Meta, parent company of Facebook, is facing antitrust litigation over an alleged advertising pact with Google and an alleged strategy of deceiving users of data privacy practices. Specifically, the case judge referenced selling increased amounts of data to third parties while representing to users that it was keeping data private, while Facebook increased its user base and its profits. This comes as the Federal Trade Commission (FTC) advanced a case to examine Meta's acquisition of Instagram and WhatsApp and copying, acquiring, or killing promising startups.

House Committee News: Cybersecurity and Privacy Related Topics

Key Point:

- *FERC Chair Richard Glick and DOE Deputy Secretary David Turk testified at the House E&C hearing on the proposed Energy Product Reliability Act ([H.R. 6084](#)), which aims to enhance pipeline reliability.*
- *The House Science, Space, and Technology Committee completed its markup of the Promoting Digital Privacy Technologies Act ([H.R. 847](#)), which supports research of privacy enhancing technologies, sending it out of committee for vote.*

The House Energy and Commerce Committee's Subcommittee on Energy held a hearing focused on the Energy Product Reliability Act (EPRA), which would task FERC with certifying an Energy Product Reliability Organization that could enforce reliability standards on pipelines that transport natural gas, oil, propane, and other energy products. Regarding cybersecurity, issues raised were whether the Transportation Security Administration (TSA) has been effective in implementing cyber standards for

pipelines, grid security, who with energy expertise will oversee cybersecurity, improving partnerships, and if mandatory cybersecurity standards are needed.

The House Science, Space, and Technology Committee marked up the Promoting Digital Privacy Technologies Act ([H.R. 847](#)) which would promote research on privacy enhancing technologies (PETs) and promote responsible data use. The Committee adopted an amendment offered by Representative Haley Stevens (D-MI) to direct the National Science Foundation (NSF) and the National Institute of Standards and Technology (NIST) to research and facilitate development of PETs in the public and private sectors. The bill received broad bipartisan support.

Please reach out to W&J if you are interested in reading the full report on the House Energy and Commerce Committee’s Subcommittee on Energy hearing.

For more information about cybersecurity issues you may email [Mablet Makonnen](#) or [Frank Vlossak](#). Jackson Notes and Abbey Schroeder contributed to this section.

TRADE

President Biden Signals He Wants to Lift China Tariffs, “But We’re Not There Yet”

Key Point:

- *Two years ago, China and the U.S. signed a phase-one trade deal, which President Biden said China has not met the commitments of.*

At President Biden’s one-year inauguration anniversary press conference, he was asked if it is time to lift some of the tariffs on China. He replied, “The answer is uncertain. It’s uncertain. I’d like to be able to be in a position where I can say they’re meeting . . . more of their commitments and be able to lift some of them, but we’re not there yet.” This reflects previous comments from President Biden and U.S. Trade Representative (USTR) Katherine Tai calling on China to live up to their phase-one commitments.

U.S. and UK Launch Section 232 Steel and Aluminum Resolution Talks

Key Point:

- *The U.S. and the UK announced the start of a three-year negotiation regarding the steel and aluminum tariff dispute and ways to collaborate on overcapacity.*

USTR Katherine Tai, Commerce Secretary Gina Raimondo, and UK Secretary of State for International Trade Anne-Marie Trevelyan met on Wednesday to discuss global overcapacity which has been driven mostly by China. After the meeting, the three officials pledged to launch bilateral negotiations to address steel and aluminum excess capacity, the U.S.’s Section 232 tariffs, and the UK’s retaliatory tariffs on U.S. exports. Of note, the UK has said they will not remove their retaliatory tariffs until a solution is reached.

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This announcement comes three months after the temporary U.S.-EU deal on Section 232 tariffs. Please find the joint statement [here](#).

EU Trade Chief Warns U.S. About Electric Vehicle Tax Credit

Key Point:

- *EU trade chief Valdis Dombrovskis warned USTR Tai on a call Wednesday of the EU's concerns about the proposed U.S. tax credit for electric vehicles in President Biden's Build Back Better legislation.*

On a call Wednesday between EU trade chief Valdis Dombrovskis and USTR Tai, Dombrovskis raised EU concerns that an electric vehicle tax credit could, “potentially discriminate between domestic and foreign car manufacturers.” This was in reference to the electric vehicle tax credit language in the Build Back Better legislation. EU ambassador, Stavros Lambrinidis, raised this concern previously in a letter to Congress stating that the proposed tax credit would violate U.S. international trade commitments.

Please find a readout of the call [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.