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Executive Insight Brief

February 24, 2023

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Aerospace & Defense

U.S. Considers Release of Intelligence on China's Potential Arms Transfer to Russia (WSJ)

The Biden administration is considering releasing intelligence it believes shows that China is weighing whether to supply weapons to support Russia's war in Ukraine, U.S. officials said. The discussions on public disclosure come ahead of Friday's United Nations Security Council meeting marking one year since Russia invaded Ukraine. It follows a number of closed-door appeals to China—coordinated among North Atlantic Treaty Organization allies—that culminated in a formal warning delivered over the weekend in Munich to Wang Yi, China's senior foreign-policy official, by a number of Western officials, including Secretary of State Antony Blinken and British Foreign Secretary James Cleverly. Mr. Blinken went public with his warning after the meeting, saying in an interview with CBS News that China is seriously exploring supplying arms to Russia. The Blinken-Wang meeting on the sidelines of the Munich Security Conference ended with no sign of common ground on key issues, according to descriptions from people familiar with the sit-down. One of those sources described it as "tense," with the recent shootdown of a Chinese surveillance balloon overshadowing the conversation. Mr. Blinken will address the Security Council to mark the anniversary of the Ukraine war. One year ago, Mr. Blinken also spoke to the council and shared U.S. intelligence that pointed toward Russia's invasion. In recent weeks, Western nations have picked up on intelligence that Beijing might end its previous self-imposed restraint on weapons supplies to Russia, according to U.S. and European officials, although it appears that China hasn't yet made a final decision. Beijing had previously been cautious to confine its support to financial assistance and oil purchases, the officials said, but that stance now appears to be shifting, according to the latest intelligence assessments. “Until now,” a senior Western official said, there “has been a certain amount of ambiguity about what practical help China might give Russia.” The official said that the intelligence the U.S. and its allies have now is “much less ambiguous.” There are no plans for a follow-up meeting between senior U.S. and Chinese officials at upcoming international gatherings. State Department spokesman Ned Price said Wednesday that Washington is “watching very closely to determine” if China was moving forward with lethal aid to Russia. With the war approaching the one-year mark, the U.S. has been working with other Western countries to demonstrate its resolve to support Ukraine, increase pressure on Moscow and warn China against getting more involved in supporting Moscow. President Biden on Monday visited Kyiv for the first time since last year’s invasion, promising Washington’s support for Ukraine. The potential confrontation with China over lethal aid comes amid escalating tensions between Beijing and Washington over the Western campaign to pressure Russia, which launched a full-scale invasion of Ukraine in February 2022. Over the past year, China has helped Moscow by buying Russian oil and selling commercial items, such as microchips and drones, that also have military applications.

Defense industry shares soar on western backing for Ukraine

Russia's War on Ukraine, China's Rise Expose US Military Failings (Bloomberg)
The collapse of what was the largest and most ambitious acquisition program in Army history illustrates how the defense industrial base that has underpinned US military primacy for decades is misfiring. Munitions shortages, failed audits and surveillance gaps exposed by the Chinese balloon ultimately shot down off South Carolina suggest that America’s military-industrial complex may no longer be fit for purpose. As Russia’s invasion of Ukraine enters a second year, and China relations plumb new depths over flashpoints from Taiwan to semiconductors, that reality raises serious questions about US readiness to fight a war. “We have a defense industrial base that’s built to achieve first-level deterrence by virtue of the world class platforms we have deployed,” said Roy Kamphausen, a former China strategist for the chairman of the joint chiefs of staff and now president of the National Bureau of Asian Research. “But there are serious questions about how we would sustain ourselves in a high-intensity conventional conflict of more than a few weeks in duration.” After decades of consolidation, the industry suffers from a paucity of competition and lacks the kind of “surge capacity” needed to wage major industrial wars. Cost overruns are routine. And a culture of risk aversion rules from the Pentagon to the boardrooms of defense industry giants. One upshot: the scrapping of Future Combat Systems means that more than a decade later the US Army has yet to develop a replacement for its Cold War-era armored vehicles — the Abrams tank and the Bradley Fighting Vehicle. Or take hypersonic missiles, a field in which the US once held a

strong technological lead as far back as the 1960s. The Defense Advanced Research Projects Agency (DARPA) began a program to design hypersonic weapons in the early 2000s, only to halt it following a series of early failed tests. Spin forward to summer 2021, when China conducted two hypersonic weapons tests, including the launch into space of an orbiting weapon capable of carrying a nuclear payload, alarming military planners in Washington. The fast, low-flying and highly maneuverable weapons represent a potential threat to the homeland, since they could be used to send nuclear warheads over the South Pole and around US anti-missile systems. Yet the tests also spoke to a deeper concern that the US may have chronically underestimated China's ability to deliver innovative technologies to its military. The moment encapsulated a failure of the Defense Department to transition critical technologies in R&D to production, with the result that "in the interim, Russia and China caught up," said Michèle Flournoy, a former Undersecretary of Defense for Policy. "Now we are playing catch up." Last summer brought another wake-up call. As Washington sent Ukraine Javelin anti-tank missiles and Stinger surface-to-air missiles, along with howitzers and ammunition, it began to deplete its own stockpiles, demonstrating its own lack of resilience.

US can't keep up with China's warship building, Navy Secretary says

China tries to play peacemaker in Ukraine war to woo Europe (Financial Times)
From the moment he stepped off a plane in Moscow this week, Beijing's top diplomat Wang Yi lauded China's friendship with Russia. The bilateral relationship was "mature" and "as stable as Mount Tai", he told Russian president Vladimir Putin, invoking a sacred mountain in China's eastern Shandong province. Wang's visit to Moscow concluded a week of shuttle diplomacy that included stops in France, Italy, Germany and Hungary and is expected to culminate on Friday with China's mooted release of a Ukraine peace proposal. But to his western European counterparts, Wang's warm words for his Russian hosts — though perhaps not as rhetorically effusive as previous encounters — only increased apprehension about Beijing's closeness to Moscow and undermined its claims of neutrality on the war in Ukraine. The peace plan, which is timed to coincide with the first anniversary of Russia's full-scale invasion, is the most ambitious gambit in Beijing's uneasy balancing act to present itself as one of the few large powers that is not aligned in the conflict, and therefore best placed to broker a resolution. China's motives for playing peacemaker range from its desire to prevent Russia — a useful partner in countering what Beijing sees as US hegemony — from suffering a catastrophic defeat to its desire to improve relations with Europe. With its economy suffering after a year of Covid-19 lockdowns, China is keen to revive foreign investment and trade and maintain access to European advanced technology as US blacklists choke off its access to critical supplies, analysts said. Beijing faces significant hurdles to overcoming western skepticism about its stance on Ukraine. While the US and EU have imposed costly energy sanctions on Russia

and supported Kyiv's war effort, China has touted President Xi Jinping's "no limits" friendship with Putin, who said on Wednesday that he looked forward to a visit by his Chinese counterpart this year. Meanwhile, Xi has not called Ukraine's president Volodymyr Zelenskyy or condemned the invasion. After meeting Wang at the Munich Security Conference at the weekend, US secretary of state Antony Blinken further ratcheted up western fears, warning that China was considering providing lethal aid to Russia. Beijing responded by accusing the US of fuelling the crisis with its own weapons shipments. But with US-China relations already at a decade low, particularly following Washington's shooting down of a suspected spy balloon this month, Wang focused his push on EU powers, meeting German chancellor Olaf Scholz, French president Emmanuel Macron and Ukraine's foreign minister Dmytro Kuleba among other leaders.

Budget & Appropriations

Biden builds a new team to carry him across landmines (Politico)
Joe Biden's choices for his economic team reflect the new reality for the president as he prepares to launch his re-election bid: The historic legislative part of his first term is over. The next two years will be dominated by implementing the massive spending bills that he jammed through Congress. But they'll also be about emerging battles: avoiding landmines at home and abroad, engaging with hostile House Republicans in what could be a bruising fight over the debt limit and using executive authority to boost the economy along with his reelection odds. To navigate that treacherous path, Biden has enlisted as his top economic adviser Lael Brainard, a veteran of the Treasury Department and Federal Reserve with a deep background in global affairs; Jared Bernstein, a longtime aide and confidant, and a strong messenger; and Jeff Zients, a wealthy businessman and technocrat who ran the Covid response team, as his new chief of staff. All bring particular skills suited to Biden's desire for experienced hands to help steer the economy away from a possible recession, according to half a dozen White House advisers and people close to the president who were granted anonymity to talk about personnel matters. Brainard and Bernstein also have credibility on the left at a time when the president may be forced to make some tough tradeoffs with House Republicans. Brainard replaced Brian Deese, a policy wonk who helped design and get through the CHIPS Act on semiconductor manufacturing and the Inflation Reduction Act with its huge green tech subsidies and tax policy changes. That role will include significant air time, with Brainard widely viewed as a commanding voice on both U.S. and international economics. On the legislation implementation front, Zients' close ally Natalie Quillian, a new deputy chief of staff at the White House, is expected to take over more of the day-to-day supervision previously handled by Deese. Brainard is likely to help coordinate the administration's response to a growing dispute with Europe over new U.S. industrial subsidies, trade and espionage battles with China, and the continuing and highly uncertain global economic fallout from Russia's invasion of Ukraine. Domestically, she's expected to be a leader when it comes to executing a deal with

Republicans to raise the nation's debt limit later this year without accepting significant budget cuts that Democrats will revolt against. And along with Bernstein, Brainard will play a pivotal part in how Biden deploys regulatory and executive authority to make moves the White House thinks could help keep inflation trending down.

2024's sprawling Senate map comes down to these 3 Dems

White House aides have discussed Social Security tax, eyeing shortfall (Washington Post)
During an hour-long meeting in the Oval Office, before they went to film a video together about student debt, Sen. Bernie Sanders (I-Vt.) pitched President Biden on his vision for hammering the Republican Party over one of the most potent issues in American politics. Biden has for weeks leaned into the simple message that he is determined to block GOP efforts to cut Social Security and Medicare for millions of seniors. Left unanswered in these attacks is what Biden, himself, wants to do to address the massive funding shortfalls facing the programs, which face catastrophic benefit reductions within a decade if lawmakers take no action. In that Jan. 25 meeting, Sanders pushed the president to fully fund Social Security for more than seven decades by expanding payroll taxes on affluent Americans, rather than just on workers' first $160,000 in earnings, as is the case under current law. Sanders also asked the president to back his proposal — highly unlikely to pass Congress — to not only defend existing benefits but also increase them. He wants to provide another $2,400 per year for every Social Security beneficiary. This previously unreported discussion between Biden and his onetime presidential primary rival reflects a broader behind-the-scenes effort inside the White House to decide how, or if, the party's message on entitlements should go beyond criticizing the GOP. Biden aides have in recent weeks discussed proposing raising payroll taxes on the rich to fund Social Security, but it is unclear if the president will ultimately endorse that measure when he releases his budget in March, according to three people familiar with international deliberations, who spoke on the condition of anonymity to describe private talks. One of those people cautioned the talks were preliminary and it is still likely the White House opts not to advance the plan. Not all Democrats believe the White House should soon offer a counterproposal on Social Security. Sanders's plan, backed by nine Senate Democrats, calls for applying the payroll tax on Americans' earnings above $250,000 per year and changing the tax so it also applies to investment income as well, which the Social Security actuary has found would extend the program's life span by 75 years. A majority of House Democrats have backed legislation that is similar to Sanders's plan but would apply to earnings above this $400,000 threshold. Additionally, some senior Democrats privately say the president has no reason to change course when his existing lines of attack have already proved so effective against the GOP. Biden has relentlessly pummeled Republican officials for pushing cuts to benefits, visiting Florida earlier this month to blast Sen. Rick Scott (Fla.) for a plan to sunset all federal legislation within five years. High-profile Republicans, including

former president Donald Trump and House Speaker Kevin McCarthy (Calif.), have been adamant that they are not proposing cuts to the programs, but pollsters say the blows are landing.

Trump's grip on the Republican base is slipping — even among his fans

Yellen, G7 urge renewed aid for Ukraine as G20 finance chiefs gather (Reuters)
U.S. Treasury Secretary Janet Yellen stepped up calls on Thursday for increased financial support for Ukraine to help it battle the year-old Russian invasion as the United States readies an additional $10 billion in economic assistance. Yellen, speaking at a news conference in India on the eve of the first anniversary of Russia's invasion, said it was critical for the International Monetary Fund to "move swiftly" towards a fully financed loan programme for Ukraine. "As President Biden has said, we will stand with Ukraine in its fight – for as long as it takes," she said. "Continued, robust support for Ukraine will be a major topic of discussion during my time here in India." In a joint statement, the G7 finance ministers said the bloc hoped Ukraine and the IMF could agree on a loan programme by March, adding that they had increased financial aid for Ukraine for this year to $39 billion. German Finance Minister Christian Lindner said his country was already supporting Ukraine and now other nations had to do their part. Ukraine is seeking a $15 billion multi-year IMF programme, Prime Minister Denys Shmyhal said on Monday after meeting IMF Managing Director Kristalina Georgieva in Kyiv. Yellen said that previous U.S. military, economic and humanitarian aid totalling $46 billion had allowed Ukraine to preserve economic and financial stability. "Our economic assistance is making Ukraine's resistance possible by supporting the home front: funding critical public services and helping keep the government running. In the coming months, we expect to provide around $10 billion in additional economic support for Ukraine," she added. India, which has kept a neutral stance on the war, does not want additional sanctions against Russia to be discussed at the G20 meetings, government sources have told Reuters. India was also pressing participants to avoid using "war" in communique language to describe the conflict, G20 officials said. But Yellen said the communique was still under discussion and that she would like to see a "strong condemnation" of Russia's invasion and the damage it has caused to Ukraine and the global economy. Nevertheless, she said the global economy "is in a better place today than many predicted just a few months ago."

Advanced Technologies

U.S. Aims to Create Semiconductor Manufacturing Clusters With Chips Act Funds (WSJ)
The U.S. will target funds from the $53 billion Chips Act to create at least two semiconductor manufacturing clusters by 2030, according to Commerce Secretary Gina Raimondo, marking the initial stages of a plan to bring more chip manufacturing back to the U.S. The aim would be to create ecosystems that would bring together fabrication plants, research-and-development labs, final packaging facilities for assembly of chips and the suppliers needed to support each phase of the operation, Ms. Raimondo said. “When we are done implementing this by 2030, America will design and produce the world’s most advanced semiconductor chips,” she told reporters in a briefing Wednesday. Ms. Raimondo is scheduled Thursday to outline the plans in a speech at Georgetown University. Next week, the Commerce Department is set to disclose further details on how companies can apply for funds. Ms. Raimondo didn’t say where the clusters would be located, but Arizona, Ohio and Texas would likely be in the running based on investment plans by companies that now produce leading-edge chips: Intel Corp., South Korea’s Samsung Electronics Co. and Taiwan Semiconductor Manufacturing Co. Intel has said it would invest $20 billion each in facilities in Chandler, Ariz., and New Albany, Ohio. TSMC has a $40 billion project under way in Phoenix, and Samsung Electronics is investing $17.3 billion in a plant in Texas. Micron Technology Inc. and Texas Instruments also have disclosed investment plans. The program has already triggered an investment boom, with U.S. and foreign manufacturers unveiling more than 40 projects for total investments close to $200 billion, according to the Semiconductor Industry Association, a trade group. Industry advocates have expressed concerns whether funding might be spread out too thinly, or if the U.S. would be able to field enough skilled workers to build and operate new facilities. Ms. Raimondo said the government would be pressing chip companies to join with high schools and community colleges to train more than 100,000 new technicians in the coming years.

Chip Makers Turn Cutthroat in Fight for Share of Federal Money

Google claims breakthrough in quantum computer error correction (Financial Times)
Google has claimed a breakthrough in correcting for the errors that are inherent in today’s quantum computers, marking an early but potentially significant step in overcoming the biggest technical barrier to a revolutionary new form of computing. The internet company’s findings, which have been published in the journal Nature, mark a “milestone on our journey to build a useful quantum computer”, said Hartmut Neven, head of Google’s quantum efforts. He called error correction “a necessary rite of passage that any quantum computing technology has to go through”. Quantum computers struggle to produce useful results because the quantum bits, or qubits, they are based on only hold their quantum states for a tiny fraction of a second. That means information encoded in a quantum system is lost before the machine can complete its calculations. Finding a way to correct

for the errors this causes is the hardest technical challenge the industry faces. Some quantum start-ups have pinned their hopes in the near term on finding ways to program today's error-prone, or "noisy", machines, even if this only leads to a small improvement over traditional computers. However, those efforts have yet to yield practical results, leading to a growing view that quantum computing will not be useful until the far bigger problem of error correction has been solved. Google's researchers said they had found a way to spread the information being processed in a quantum computer across a number of qubits in a way that meant the system as a whole could retain enough to complete a calculation, even as individual qubits fell out of their quantum states. The research published in Nature pointed to a reduction of only 4 per cent in the error rate as Google scaled up its technique to run on a larger quantum system. However, the researchers said this was the first time that increasing the size of the computer had not also led to a rise in the error rate. Neven said that it showed Google had passed a "break-even point" after which further advances would bring steady gains in performance, putting the company on a path to having its first practical quantum computer. The breakthrough in error correction was the result of improvements Google had made to all components of its quantum computer, from the quality of its qubits to its control software and the cryogenic equipment used to chill the computer to near-absolute zero, according to Julian Kelly, a Google researcher. This had reduced the number of errors to a low enough point that the size of the system could be increased without leading to an exponential rise in the error rate, he added. Google described the breakthrough as only the second of six steps it needed to go through to build a practical quantum computer. The next step involved perfecting its engineering so that it would need only 1,000 qubits to create a so-called logical qubit — an abstraction, built on top of the imperfect physical qubits, that can function without errors. Neven said Google believed it would have a useful machine once it had worked out how to build and link 1,000 logical qubits into a single system.

As Big Tech's Growth and Innovation Slow, its Market Dominance Endures

Supreme Court wrestles with lawsuit shield for social media (AP)

In its first case about the federal law that is credited with helping create the modern internet, the Supreme Court seemed unlikely Tuesday to side with a family wanting to hold Google liable for the death of their daughter in a terrorist attack. At the same time, the justices also signaled in arguments lasting two and a half hours that they are wary of Google's claims that a 1996 law, Section 230 of the Communications Decency Act, affords it, Twitter, Facebook and other companies far-reaching immunity from lawsuits over their targeted recommendations of videos, documents and other content. The case highlighted the tension between technology policy fashioned a generation ago and the reach of today's social media, numbering billions of posts each day. "We really don't know about these things. You know, these are not like the nine greatest experts on the internet," Justice Elena Kagan said of herself and her colleagues, several of whom smiled at the description. Congress, not the court, should make needed changes to a law passed early in the internet age, Kagan said. Justice Brett Kavanaugh, one of six conservatives, agreed with his liberal colleague in a case that seemed to cut across ideological lines. "Isn't it better," Kavanaugh asked, to keep things the way they are and "put the burden on Congress to change that?" The case before the court stems from the death of American college student Nohemi Gonzalez in a terrorist attack in Paris in 2015. Members of her family were in the courtroom to listen to arguments about whether they can sue Google-owned YouTube for helping the Islamic State spread its message and attract new recruits, in violation of the Anti-Terrorism Act. Lower courts sided with Google. The justices used a variety of examples to probe what YouTube does when it uses computer algorithms to recommend videos to viewers, whether content produced by terrorists or cat lovers. Chief Justice John Roberts suggested what YouTube is doing isn't "pitching something in particular to the person who's made the request" but just a "21st century version" of what has been taking place for a long time, putting together a group of things the person may want to look at. Lower courts have broadly interpreted Section 230 to protect the industry, which the companies and their allies say has fueled the meteoric growth of the internet by protecting businesses from lawsuits over posts by users and encouraging the removal of harmful content. But critics argue that the companies have not done nearly enough to police and moderate content and that the law should not block lawsuits over the recommendations that point viewers to more material that interests them and keeps them online longer. Any narrowing of their immunity could have dramatic consequences that could affect every corner of the internet because websites use algorithms to sort and filter a mountain of data.

Military Installations & Communities

Lawmakers eye opportunities as Philippines base access expands (Roll Call)

Lawmakers say the Pentagon's newly unlocked access to a handful of additional bases in the Philippines will boost the United States' ability to deter Chinese aggression while deepening collaboration with a key ally in the region. While it remains to be seen what kinds of investments those four new sites in the Philippines — on top of the five existing ones established under the Enhanced Defense Cooperation Agreement — will need to ensure they're leveraged to their full potential, one House Armed Services member expects to see "strong bipartisan support" for funding in that area. "In some ways, the heightened realization that China's not fooling around with the surveillance balloon really will help the momentum for the Philippines' decision," Rep. Joe Courtney, D-Conn., said in an interview Thursday. In addition to enhancing DOD's strategic posture in the Indo-Pacific, the news, announced earlier this month during Defense Secretary Lloyd J. Austin III's trip to the Philippines, supports a broader military shift toward bolstering the resiliency of current bases while distributing forces across multiple sites, making them harder to target. Calling the Philippines “the point of the spear in the South China Sea,” Adm. Harry B. Harris Jr., the former head of U.S. Pacific Command (which has since been renamed U.S. Indo-Pacific Command) and a former ambassador to South Korea, underscored the importance of the expanded site access in the so-called first island chain during the House Armed Services Committee’s inaugural hearing of the new Congress last week. “It’s hard to imagine a fight with the [People’s Republic of China] without being able to use bases in the Philippines,” he said. Under the Enhanced Defense Cooperation Agreement, inked in 2014, the Philippines allowed for an increased rotation of U.S. troops, aircraft and ships in its territory. But progress under the deal was slowed under former Philippines President Rodrigo Duterte’s administration, which spanned 2016 to 2022. The first five sites were announced in 2016, and the first major project — a humanitarian assistance and disaster relief warehouse — began two years after that. Those five existing bases have received more than $82 million in U.S. infrastructure investments, according to DOD’s announcement Feb. 1. Specifically, media reports from November show the U.S. committed to spending $66.5 million on training and warehouse facilities at three of those bases, with construction to start this year. Going forward, DOD’s release states that the U.S. and Philippines “have committed to move quickly in agreeing to the necessary plans and investments for the new and existing EDCA locations,” though it doesn’t commit to a timeline. DOD also hasn’t yet disclosed the locations of the four new sites, but the announcement said they “will allow more rapid support for humanitarian and climate-related disasters in the Philippines” while responding “to other shared challenges.” While lawmakers on the House and Senate Armed Services readiness subcommittees, which oversee military construction, didn’t weigh in on funding specifics, members who provided comment on the announcement voiced support for expanded site access — particularly as a means of countering China.

After long, costly road, Air Force happy with new KC-46 vision system

Pentagon small business chief presses to revive innovation fund (Defense News)

The Biden administration’s next budget request needs to revive a special fund to help small businesses with innovative ideas work with the Pentagon, a top department official said Tuesday. The push to bring back the Rapid Innovation Fund, which Congress hasn’t financed since 2019, was one of several recent moves aimed at lowering barriers for small businesses detailed by the director of the Pentagon’s Office of Small Business Programs, Farooq Mitha. At a virtual event hosted by the National Defense Industrial Association, Mitha said he’s spearheading efforts to consolidate management of the Pentagon’s many small-business programs, which can confound business owners with their different operating styles, funding streams and points of contact. “One of the first things that I saw when I came into this job was that our small business programs and activities were dispersed all across the department,” Mitha said. “I kept hearing feedback ... about how it’s hard to figure who is responsible for what ... so we really took that to heart." The Pentagon released its long-awaited Small Business Strategy last month, touting it as a means to create more opportunities for small businesses, as well as boost defense supply chains, market competition, the national economy and the military's advantages. The number of small businesses participating in the American defense-industrial base declined by more than 40% in the past decade. As of 2021, small businesses made up 73% of all companies that did business with the Defense Department, and 77% of the research and development companies that did so, according to the department's data. Small businesses more broadly are facing a mix of old and new challenges in 2023, including inflation, hiring and retention challenges, coupled with fears that the economy is heading into a recession. Defense trade groups say the Pentagon's dense regulations can discourage small businesses from working with the military. As part of the Small Business Strategy's unified management structure of small business programs and activities, Mitha's office in October took over the 96 government contracting help centers from the Defense Logistics Agency. Their names changed from Procurement Technical Assistance Centers to Apex Accelerators. Mitha envisions the Apex Accelerators to be "the front door to industry" — an access point for aid like the Pentagon's Mentor-Protégé program, which pairs established defense companies with small businesses; Small Business Innovation Research grants, intended to help companies and research institutions develop promising technologies; and the Rapid Innovation Fund. Mitha said Congress established the fund to help bridge the so-called valley of death, which refers to how red tape keeps defense technologies from transitioning from prototypes into actual products for the military. The program was recently moved from the Office of the Under Secretary for Research and Engineering into the Office of Small Business Programs, which will be "planning for it," he said. Among other consolidation challenges, the Pentagon acquisition workforce's 750 small business specialists don't have standardized training, and the Pentagon lacks a single web portal for small businesses. Mitha said he's working to fix both.

Space Force may hire companies to service orbiting satellites

Marine Corps Needs Infrastructure Investment, Improved Technology to Ensure Readiness (USNI News)

A military installation's sewer lines and electrical grids are critical to a unit's combat readiness, meaning bases and stations must prepare to grapple with outages, breaks, attacks and other threats to critical infrastructure, a Marine Corps installation commander said last week. "The sustainment of facilities – things that maybe don't really thicken the blood of the warfighter. But there's something very important about thinking about installations as part of a larger system," said Col. Thomas Bedell, who commands Miramar Marine Corps Air Station in San Diego. "Historically, we've kind of underfunded investments in installations," he said Wednesday at the WEST 2023 conference, co-hosted by the U.S. Naval Institute and the Armed Forces Communications and Electronics Association. While he didn't provide details, Bedell hinted that might begin to change in upcoming defense budget requests to get after facility sustainment. Installations aren't just a physical place but should be appreciated – and appropriately funded, sustained and maintained – as "a system of systems," much like the importance the Marine Corps and Navy place on combat assets such as the Marine Air-Ground Task Forces and aircraft carriers, Bedell said. He echoed comments made earlier this week by Marine Corps Assistant Commandant Gen. Eric Smith that logistics are the "fifth element" of the MAGTF, and thus equally critical to combat readiness and success. It hasn't always been viewed that way. For many years, installations have been underfunded, and deferred maintenance often continues to lag even as infrastructure facilities age and face more, and costlier, wear and tear. Moreover, Bedell noted, those backlogs in repairs and upgrades to critical infrastructure – like water lines, sewer mains and communications lines –risk the readiness of operational forces housed and supported at those installations.

Homeland Security

Hackers Extort Less Money, Are Laid Off as New Tactics Thwart More Ransomware Attacks (WSJ)

Extortion payments from ransomware, a hacking scourge that has crippled hospitals, schools and public infrastructure, fell significantly last year, according to federal officials, cybersecurity analysts and blockchain firms. After ballooning for years, the amount of money being paid to ransomware criminals dropped in 2022, as did the odds that a victim would pay the criminals who installed the ransomware. With ransomware, hackers lock up a victim's computer network, encrypting hard drives until victims pay. Alphabet Inc.'s Mandiant cybersecurity group said it had responded to fewer ransomware intrusions in 2022—a 15% decrease from 2021. CrowdStrike Holdings Inc., another U.S. cybersecurity firm, said it saw a drop in average ransom-demand amounts, from $5.7 million in 2021 to $4.1 million in 2022, a decline the company attributed to disruption of major ransomware gangs, including arrests, and a decline in crypto values. Ransomware payments are generally made using cryptocurrency. The blockchain-analytics firm Chainalysis Inc. says that payments that it tracked to ransomware groups dropped by 40% last year, totaling $457 million. That is $309 million less than 2021's tally. "It reflects, I think, the pivot that we have made to a posture where we're on our front foot," Deputy Attorney General Lisa Monaco said in an interview. "We're focusing on making sure we're doing everything to prevent the attacks in the first place." The hacking groups behind ransomware attacks have been slowed by better company security practices. Federal authorities have also used new tactics to help victims avoid paying ransom demands. Asset seizures have disrupted major ransomware gangs, one of which recently had layoffs, cybersecurity officials say. The evidence of progress reflects just one year of a decline and could amount to an aberration. While certain hacking methods can fall out of favor, the hackers themselves rarely stay quiet for long. Some firms and experts say they saw a worsening outlook in 2022 in certain business sectors as ransomware criminals searched for easier targets. U.S. government sanctions against ransomware operators have been a deterrent, according to officials and companies involved in responding to ransomware infections. The FBI has managed to recover ransomware payments, including $2.3 million paid during a 2021 incident that shut down the Colonial Pipeline, a major fuel pipeline to the U.S. East Coast. And the FBI said last month that it disrupted $130 million in potential ransomware profits last year by gaining access to servers run by the Hive ransomware group and giving away the group's decryption keys—used to undo the effects of ransomware—for free. Companies have also stepped up their cybersecurity practices, driven by demands from insurance underwriters and a better understanding of the risks of ransomware following high-profile attacks. Companies are spending more money on business continuity and backup software that allow computer systems to restart after they have been infected. With improved backups, U.S. companies are better at bouncing back from ransomware attacks than they were four years ago, according to Coveware Inc., which helps victims respond to ransomware intrusions and has handled thousands of cases.

Former Proud Boy Says Group Prepared for 'All-Out Revolution' on Jan. 6

Federal panel says agencies need to focus on harmonizing cyber regulations (Washington Post)

The Biden administration needs to take numerous steps to deconflict and organize the proliferation of cybersecurity regulations, according to a report that a presidential advisory committee approved Tuesday. That includes things like creating an office within the Cybersecurity and Infrastructure Security Agency to harmonize cybersecurity rules across the federal government, or directing a trio of federal agencies to coordinate with foreign governments to develop consensus cybersecurity standards. The recommendations arrive as the U.S. cyber scene awaits publication of the Biden administration's national cybersecurity strategy, the White House pushes for mandates on numerous industries, and CISA writes a rule to require critical infrastructure owners and operators to report major cyber incidents to the agency. The advisory panel, named the National Security Telecommunications Advisory Committee (NSTAC), voted Tuesday to send the report to Biden for his consideration. The committee draws its membership from the business community, with a heavy emphasis on cybersecurity companies. Many industry groups have indicated opposition to the Biden administration pushing a more muscular federal role for cyber mandates. But an official with the Office of the National Cyber Director, which led the writing of the national cybersecurity strategy, saw overlap between that strategy and the NSTAC report. "The recommendations regarding regulatory harmonization align very well with the strategic goals of the strategy," said Rob Knake, the acting principal deputy at the cyber director's office. One such recommendation is for CISA to establish an Office of

Cybersecurity Regulatory Harmonization. There are already some federal initiatives with a similar mission, such as the Cyber Incident Reporting Council, and the Cybersecurity Forum for Independent and Executive Branch Regulators. But the new office would have the job of building expertise on cybersecurity regulation and assisting other federal agencies during the cybersecurity rulemaking process. Separate from the recommendations about the new office and how agencies would interact with it, the report calls on agencies to review their rules at least every five years and update them as needed. And “the Department of State and Department of Commerce, in coordination with the Department of Homeland Security, shall develop and execute a strategy to encourage more foreign government participation in the development and adoption of specific consensus standards,” the report states.

Fentanyl: America’s struggle to contain a deadly drug

New Biden policy limits asylum access at southern border (Los Angeles Times)

The Biden administration announced a policy Tuesday that would limit asylum access for immigrants who cross into the U.S. without authorization and fail to apply for protections on the way to the southern border with Mexico. The proposal will not take effect immediately and will go through a regulatory process to allow public comment for 30 days. After that time, the policy is set to be in place for two years following its effective date. It is the latest Biden administration proposal to deter migrants from entering the U.S. without authorization and to bring down the numbers of migrants crossing the southern border. The policy is being unveiled as the administration prepares for the expected end in May of Title 42, a Trump-era policy that allows border agents to quickly turn back migrants. The government had struggled to lower the number of crossings at the border before it decided to expand its use of Title 42 in January to expel Nicaraguans, Haitians, Venezuelans and Cubans to Mexico. At the same time, the Department of Homeland Security allowed immigrants from those countries who had verified sponsors in the U.S. to enter the country legally. After the announcement, the numbers of unauthorized border crossings went down in January to their lowest levels in almost two years. Since Biden administration officials hinted at the effort in January, advocates have criticized the idea, saying it mirrors former President Trump’s move to block asylum for those who crossed into the U.S. without authorization and did not seek protections in another country on their journey. That proposal was blocked in federal court. On Tuesday, immigrant advocates were critical of the proposal and condemned the intentions of the administration. Biden administration officials, however, have said the new policy is not comparable to Trump’s because it would not categorically ban asylum and offers a way to gain asylum access at a port of entry. Under the proposal, immigrants who cross the southern border without authorization after traveling through a third country and have not been denied asylum in a country on their way to the U.S. would be forced to overcome a presumption that they are ineligible for asylum. Immigrants unable to overcome that hurdle would be liable to deportation unless they meet one of several exceptions included in the policy, or clear a higher bar for protection in the U.S. Asylum officers are expected to interview immigrants crossing the border. Exceptions include a medical emergency, an imminent threat to life or victimization from a severe form of trafficking. Homeland Security officials want migrants to schedule appointments with border officials at a port of entry or seek another legal pathway, such as programs that allow migrants to enter the country with a sponsor. The new policy does not apply to those who enter through these means.

Transportation & Infrastructure

Federal authorities release preliminary report on Norfolk Southern train derailment in Ohio (CNBC)

Federal transportation officials released a preliminary report Thursday examining the derailment of a Norfolk Southern train carrying dangerous chemicals in East Palestine, Ohio. The preliminary report from the National Transportation Safety Board did not offer an exact cause of the derailment but outlined several operational concerns. According to the NTSB report, “Surveillance video from a local residence showed what appeared to be a wheel bearing in the final stage of overheat failure moments before the derailment. The wheel bearing and affected wheelset have been collected as evidence and will be examined by the NTSB.” Future investigative activity will focus on the wheelset and bearing, tank car design and maintenance procedures, derailment damage, inspection practices and a review of the accident response. On Feb. 3 at around 9 p.m., an eastbound Norfolk Southern freight train derailed, including 11 tank cars carrying hazardous materials that subsequently ignited. These chemicals included vinyl chloride, a highly flammable carcinogen. Thirty-eight railcars derailed in the incident, according to the NTSB report. According to the report, the train was traveling about 47 miles per hour at the time of the derailment, below the maximum authorized speed of 50 miles per hour. The train’s positive train control system, in place to prevent over-speed derailments, was operating at the time of the derailment. After the train passed a wayside defect detector, it transmitted an alarm message instructing the crew to stop the train to inspect the hot axle. The Norfolk Southern train was equipped with a hot bearing detector system, designed to detect overheated bearings. At the time the train was instructed to stop, the bearing’s temperature recorded a temperature of 253 degrees Fahrenheit, above a threshold of 200 degrees at which point temperatures are considered critical, according Norfolk Southern criteria. At the previous detector, it recorded a temperature of 103 degrees. A one-mile evacuation zone was implemented after the derailment, impacting up to 2,000 residents. Two days after the derailment, temperatures continued to rise within five of the derailed tank cars carrying 115,580 gallons of vinyl chloride. Due to the possibility of a catastrophic explosion that could have sent shrapnel up to a mile, Norfolk Southern carried out a controlled release three days later. No fatalities or injuries were reported. The Thursday report comes the same day that Transportation Secretary Pete Buttigieg visited the site.

Buttigieg visits East Palestine, Ohio, as probe of train derailment continues

[Netherlands warns of Russian attempts to sabotage its energy infrastructure (Financial Times)]

Dutch intelligence authorities have warned of Russian attempts to sabotage its North Sea energy infrastructure and told operators to be on their guard. Russia had instigated “activities that indicate espionage as well as preparing operations for disturbance and sabotage” of underwater cables, wind farms and gas pipelines in the North Sea, said a report published by the Dutch military intelligence unit MIVD on Monday. General Jan Swillens, head of MIVD, said at a news conference that a ship had been detected attempting to map energy infrastructure in the North Sea in recent months but that the ship had been unsuccessful as it was escorted away by the Dutch navy and coastguard. The report warned operators of maritime infrastructure that they should increase security measures in light of the recent events. It also described Russian intelligence officers’ efforts to circumvent sanctions by acting to “procure and transport sanctioned goods surreptitiously to Russia” and Moscow’s attempts to weaponize supplies of energy to the bloc. A Dutch official said the ship had shown particular interest in the offshore wind farms in the Dutch part of the North Sea and that The Hague was expanding its reconnaissance capacity in the area. Norway gave a similar warning last week as part of an annual security assessment. Oslo’s policy security service PST said that while it was “unlikely” Norwegian assets would be sabotaged this year, it could happen if Moscow decided to escalate the conflict in Ukraine. It considered “the petroleum sector to be a particularly vulnerable target”, it said. Last autumn, Norway increased the level of alert for its armed forces following the alleged sabotage of the Nord Stream 1 and 2 pipelines. The lines, which were once capable of carrying Russian gas to Europe, were largely destroyed by explosions in September. Oslo increased military surveillance of the North Sea and put on a show of military force, flying F-35 fighter jets over its oil and gas platforms after reports of sightings of unknown drones in their vicinity. Germany, the UK and France also provided assistance while Italy said its navy would increase measures to protect gas pipelines bringing supplies from north Africa to Europe through the Sicilian channel, warning that it feared Russia could try to target important energy infrastructure. Russia has denied responsibility for the Nord Stream explosions and called for a UN investigation, with President Vladimir Putin blaming “the Anglo-Saxons” for the damage. In December, EU member states signed off rules that require “critical entities” such as water, transport and energy infrastructure to be identified and stress-tested. EU governments will also be expected to map out cross border responses for shared infrastructure in case of an attack.

How NYC's Second Avenue Subway Became the World's Most Expensive Line

A Sudden Rush to Make Sustainable Aviation Fuel Mainstream (New York Times)

A flurry of investments, policy changes and technological breakthroughs is giving a jolt of energy to the nascent market for sustainable aviation fuel, a low-carbon alternative to traditional jet fuel made from crude oil. United Airlines and other companies started a $100 million venture capital fund on Tuesday to invest in the technology. Boeing said last week that it was doubling its use of sustainable fuel this year. New laws in Europe and the United States are designed to spur investment in the market. And after years of false starts, a handful of start-ups are receiving an influx of funding and expanding operations. Sustainable aviation fuel is made from used cooking oil and agricultural waste. It produces up to 80 percent fewer planet-warming emissions than conventional jet fuel, according to some estimates. It is currently blended with fossil jet fuel, but the hope is that planes could eventually be powered exclusively with the alternative fuel. While advances have been made in electric planes, battery weight remains a problem for large aircraft. Sustainable jet fuel is seen by many as the most promising way to reduce greenhouse gas emissions in the aviation sector, which contributes more than 2 percent to global emissions each year, according to the International Energy Agency. But today, almost no flights are powered by sustainable fuel because of supply and cost. Sustainable fuel can be as much as three times as expensive as conventional fuel. Even at United, the largest consumer of sustainable fuel in the United States, it accounted for less than one percent of its total fuel consumption last year. Scott Kirby, United’s chief executive, said in an interview that he wanted his airline to be a leader in sustainable fuels. His reasons, he said, are twofold: He believes that’s where the industry is headed, and he’s eager to play a role in reducing global emissions as the planet rapidly warms. Making sustainable aviation fuel mainstream will be difficult and costly to achieve. Sustainable aviation fuels “are currently at various stages of technology readiness, and the scaling of production and deployment faces major technological and economic hurdles,” according to a recent report by the Rhodium Group, an energy sector consulting group. Only two companies make sustainable aviation fuel that is used by the major airlines at scale. World Energy, a U.S. company, has a plant in Los Angeles where it supplies United and other airlines and is building a new factory in Houston. Neste, a Finnish oil company, produces sustainable jet fuel in Europe.

Biotechnology & Healthcare

[Humana Exits Employer Insurance Business (WSJ)]

Humana Inc. said it would exit its Employer Group Commercial Medical Products business, including all fully insured, self-funded and federal employee health benefit medical plans. The health-insurance company said the move comes after a strategic review that determined the business was no longer positioned to sustainably meet the needs of customers or to support Humana's long-term strategic plans. The exit will be phased over the next 18 to 24 months. The move will allow Humana to focus on government-funded programs and specialty businesses, Chief Executive Bruce Broussard said. Humana has long been largely a Medicare insurer, with about 5.1 million members at the end of 2022 and growth of more than 775,000 individual enrollees projected for 2023. The company has been increasingly focused on its expanding healthcare unit, CenterWell, which includes extensive home-health operations and primary-care clinics. Humana's employer business shrank to about 986,000 last year, from 1.17 million at the end of 2021. In fully departing the employer business, Humana is reflecting an extreme version of the direction that most of the insurance industry is taking, as companies focus more on government-backed products, particularly the private plans known as Medicare Advantage. Roughly half of Medicare beneficiaries now have Medicare Advantage, and the business is growing rapidly as baby boomers age into eligibility. Humana is the second-largest Medicare Advantage insurer, after UnitedHealth Group Inc. A 2021 Kaiser Family Foundation analysis found that Medicare Advantage delivered larger gross margins to insurers than employer plans, measured as the difference between premiums and the cost of healthcare claims. Insurers can make greater profits on Medicare Advantage when they own doctor groups that care for their patients, analysts have said.

Biotech firms Redx Pharma and Jounce Therapeutics to merge in $425m deal

[Pfizer pins hopes on record pipeline to recover from post-Covid hangover (Financial Times)]

Pfizer won plaudits from scientists and investors during the pandemic by developing highly effective Covid-19 vaccines and treatments that saved millions of lives and generated record sales. But as the Covid emergency recedes, the US drugmaker is struggling to convince Wall Street that it can manage a transition that it forecasts will slash annual revenues by almost a third to about $70bn this year. Pfizer expects sales of Comirnaty, the Covid vaccine it developed with German company BioNTech, and its antiviral pill Paxlovid, to fall 62 per cent to $21.5bn in 2023, compared to last year. It also faces a patent "cliff" — the loss of market exclusivity for several blockbuster drugs, including cancer medicines Xtandi and Ibrance. This is expected to blow an additional $17bn hole in annual revenues by 2030. These challenges have made investors question whether the 174-year-old company can plug the revenue gap, even as it launches a record 19 drugs over the next

18 months in search of growth. Pfizer shares have slid nearly 16 per cent to $43.21 since the start of the year and the company's market capitalisation of $243bn has fallen by more than a quarter since it peaked in December 2021 during the height of the pandemic. "The market remains nonplussed with Pfizer's post-Covid story and limited business development in 2022," said Evan Seigerman, analyst at BMO Capital Markets. "Investors are looking for a transformative deal and simplified pipeline story — this is possible in the second half of 2023, but uncertain today." Seigerman said Pfizer's expectations that Covid sales will rebound in 2024 — after US government stockpiles are exhausted and the market moves to a commercial footing allowing it to raise prices — may also be unrealistic. At Pfizer's glitzy new headquarters in New York, which is based in a 66-floor skyscraper called The Spiral on the banks of the Hudson River, no such doubts are evident. Last month the Pfizer team outlined a growth strategy centered on product launches, M&A and a rebound in Covid sales it predicted could last until the end of the decade. Dave Denton, who joined Pfizer as chief financial officer in April from US retailer Lowe's, told The Financial Times he is confident the company can manage the transition. "What's unique about Pfizer is no one's really gone from a pandemic into kind of a stable, I'll say, post-crisis stage of a pandemic. And with that, people don't understand exactly what that means," he said. In the past, the group has relied on mega mergers such as its $68bn purchase of Wyeth in 2009 to drive growth. But the White House's tough approach on antitrust makes large deals much riskier. Instead, since becoming chief executive in 2019, Albert Bourla, has sought to transform the company from a diversified pharmaceutical conglomerate into a nimbler, science-led business. The 19 drugs that are due to come to market this year and next are a mix of candidates developed by Pfizer scientists and external prospects acquired through bolt-on acquisitions or co-developed via partnerships with smaller biotechs.

A Fraught New Frontier in Telehealth: Ketamine

Red and blue states look to Medicaid to improve the health of people leaving prison (NPR)
Around 600,000 people leave prison in the U.S. every year, and another 10 million are released from county jails. Many of them suffer from chronic physical, mental and substance use conditions. Research shows they are also at an extremely high risk of hospitalization and death; one study from Washington state found that recently incarcerated people were 12 times more likely to die in their first two weeks after release from prison than the general population. That's why in January, federal health officials for the first time signed off on having Medicaid pay for services for some people in state or local jails, prisons or juvenile facilities. The goal is to use the time before someone leaves a corrections facility to connect them with medical providers in the community and limit any disruption in their care as they transition out of incarceration. Most people who are incarcerated are eligible for Medicaid based on their low income, but a provision known as

the "inmate exclusion policy" prohibits federal Medicaid dollars from being spent on a person's care while incarcerated. (The only exception is for an overnight hospital stay.) Many counties and states try to connect people to Medicaid as soon as they're released, but it can be a bureaucratic nightmare, and even if it works, people often have other priorities like finding a job, food and a place to live. Some states like Arizona require private Medicaid plans to connect with incarcerated people before they are released, which state officials say helps individuals get care more quickly when they get out. And small pilot programs in California and New Mexico showed offering care coordination before release led to more primary care visits, less recidivism and fewer ER trips. But the inmate exclusion policy remains a significant barrier. In 2018, Congress directed federal health officials to help states figure out a better transition plan for people leaving incarceration. Since then, 15 states from across the political spectrum have asked the Centers for Medicare and Medicaid Services to let them test what would happen if they turned Medicaid on before people leave jail, prison and juvenile facilities. In January, California became the first state to get the green light. "We hope that what we are approving today is an exciting model for what we are able to partner [on] with states across the country," said Dan Tsai, deputy administrator and director of the Center for Medicaid and CHIP Services at CMS.

Climate & Development

Russian Oil Is Still Flowing, and That is What the West Wants (WSJ)
A Western oil gambit aimed at Russia appears to be working. In recent months, the Group of Seven rich nations imposed a novel price cap on the global sale of Russian crude and refined products, while the European Union banned most Russian oil imports. Both moves, working in concert, were aimed at curbing Moscow’s energy revenue without choking off global supplies and sending prices soaring. So far, early data on Russian energy exports and pricing suggests the two measures are keeping the oil flowing and global prices stable, while pinching Moscow’s coffers. Earlier this month, Russia said it would cut production by about 5% in March in response to the sanctions. Analysts have been torn over whether the move was aimed at trying to prop up prices or an acknowledgment that Moscow was struggling to find buyers. What mattered most to Western officials and oil market experts: It wasn’t a big enough cut to boost global oil prices. “You can criticize overall Western sanctions quite easily,” said Henning Gloystein, energy director at consulting firm Eurasia Group. “But the oil sanctions were aimed at both capping Russian revenues and not disrupting the market. So far, that has worked.” The price cap works by barring Western insurers, financiers and shippers that underpin much of the world’s oil trade from handling seaborne Russian crude—unless it is sold below $60 a barrel. The experimental sanction was the product of months of haggling between U.S. and European diplomats. It faced steep skepticism from oil-industry analysts and officials about how it would work in practice. Much can still go wrong. Global oil prices have retreated recently on worry about

economic growth in Europe and the U.S. Both are showing signs that things might not be so bad after all. Meanwhile, China has cast aside most of its Covid-19 restrictions, which could jump-start its own economy and boost demand for crude. Russian production, meanwhile, may also start to fall faster than the West intends, pressuring prices. Separate sanctions on technology imports are hampering extraction and field maintenance, according to analysts. Russia has vowed not to sell oil to buyers who honor the price cap.

U.S. states seek to block Biden ESG investing rule

EV charger plan sparks new US-EU green subsidy row (Financial Times)

Just when it seemed President Joe Biden couldn't annoy Brussels any more than he already had with his blockbuster set of green subsidies . . . out came the US Department of Transportation with its mundane-sounding new rules on electric vehicle chargers. Chargers should have common standards so that any car can use them, the administration said, but they should also be made in the US with American parts if they want to access government cash. Part of the shot across the bows was aimed at Tesla, whose charging network snakes across the US but is currently open only to Tesla owners. But the Made in America twist, which has become a standard issue condition of any new subsidies, prompted further howling in Brussels from both the business lobby and officials. Does Biden care? It looks increasingly like he does not. Biden's position takes in several, sometimes conflicting objectives, including — broadly — tackling climate change by supercharging the US clean tech rollout, securing American supply chains, creating US unionized jobs and rebuilding global alliances damaged by four years of Donald Trump. A lot has been written about the path Biden's team has to pick between boosting American jobs and manufacturing, and appeasing US allies and partners — many of whom Washington wants help from on things like, say, blocking exports of sensitive tech to China. On the one hand, about $90bn of capital has been committed to new projects in the US since the passage of the IRA last year, according to figures compiled by Climate Power, a Democratic strategy group. On the other, foreign governments are furious with what they see as discriminatory trade practices. But actually, as various parts of the administration work their way through the business of putting the Congressional legislation into practice, it seems it's not really a balancing act at all. In recent weeks, the mood in Washington has hardened against the pleas from US trading allies. At the start of the year, there was a great sense of hope among diplomats that, although the law discriminated against their countries' companies, the worst effects could be mitigated as the specific rules and regulations were written by the US Treasury. Biden himself in late December said "tweaks" could be made. But those hopes are fading. Among companies, too, earlier ambitions for liberal interpretation of the legislative text from the Treasury — that, say, a "free trade agreement" could be made to include loose, existing deals that were not congressionally ratified trade agreements — have faded. Lots of multinational companies, particularly those with an eye on the battery supply chain, such as car companies and battery manufacturers, are worried about rules that reward companies using minerals sourced or processed in countries with a free trade agreement with the US. Countries with large mineral deposits, such as Argentina, which has lithium, or Indonesia, which has nickel, risk being left out in the cold. European countries that process the minerals also stand to lose out.

Which U.S. cities will fare best in a warming world — and which will be hit hardest?

Poland to develop 1st nuclear power plant with Westinghouse (AP)
Poland and the Westinghouse Electric Company signed a deal Wednesday for pre-design cooperation on the central European nation's first nuclear power plant using the American company's technology. Poland's minister for climate and environment, Anna Moskwa, and U.S. Ambassador to Poland Mark Brzezinski signed the deal in Warsaw during a visit by U.S. President Joe Biden. Brzezinski stressed that energy is crucial for economic development. Moskwa said construction of the plant is expected to begin in 2026. The facility is expected to start supplying Poland's power grid in 2032, she said. Poland is taking strides in embracing renewable energy, but gets almost 70% of its energy from black and brown coal. The cooperation agreement signed Wednesday involves Poland's nuclear energy development company, PEJ, Westinghouse Electric Company and Westinghouse Electric Poland. Additional contracts are expected to be signed later this year, Moskwa said.

Next Week's Hearings

Armed Service Committees

House: None Listed

Senate:

Tuesday, February 28, 2023, 9:30 AM EST: Full committee hearing: “Hearings to examine the conflict in Ukraine”

Appropriations Committees

House:

Tuesday, February 28, 2023, 10:30 AM EST: Subcommittee on Military Construction, Veterans' Affairs, and Related Agencies: "Oversight Hearing – Quality of Life in the Military"

Tuesday, February 28, 2023, 2:00 PM EST: Subcommittee on Defense: "Ukraine Oversight"

Friday, March 3, 2023, 10:00 AM EST: Subcommittee on State, Foreign Operations, and Related Programs: "Oversight Hearing – United Nations"

Senate: None Listed

Homeland Security Committees

House:

Tuesday, February 28, 2023, 10:00 AM EST: Full committee hearing: "Every State is a Border State: Examining Secretary Mayorkas's Border Crisis"

Senate:

Tuesday, February 28, 2023, 10:00 AM EST: Full committee hearing: "Hearings to examine the nomination of Colleen Joy Shogan, of Pennsylvania, to be Archivist of the United States"

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