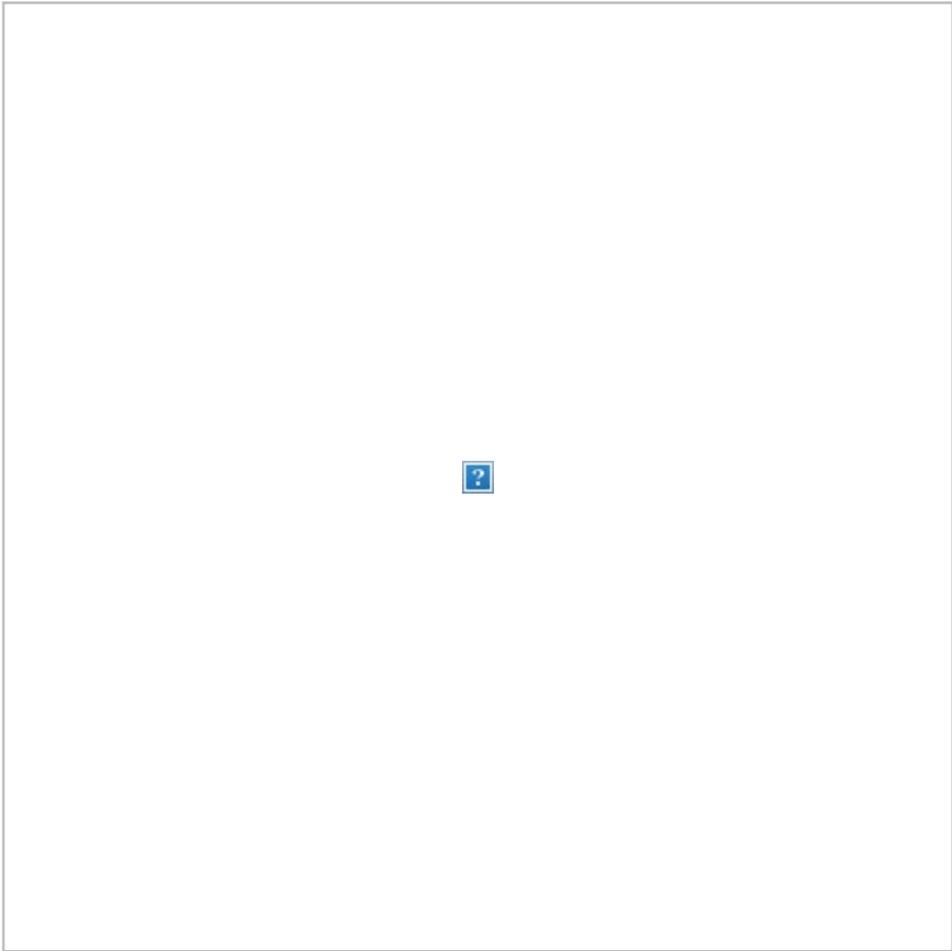
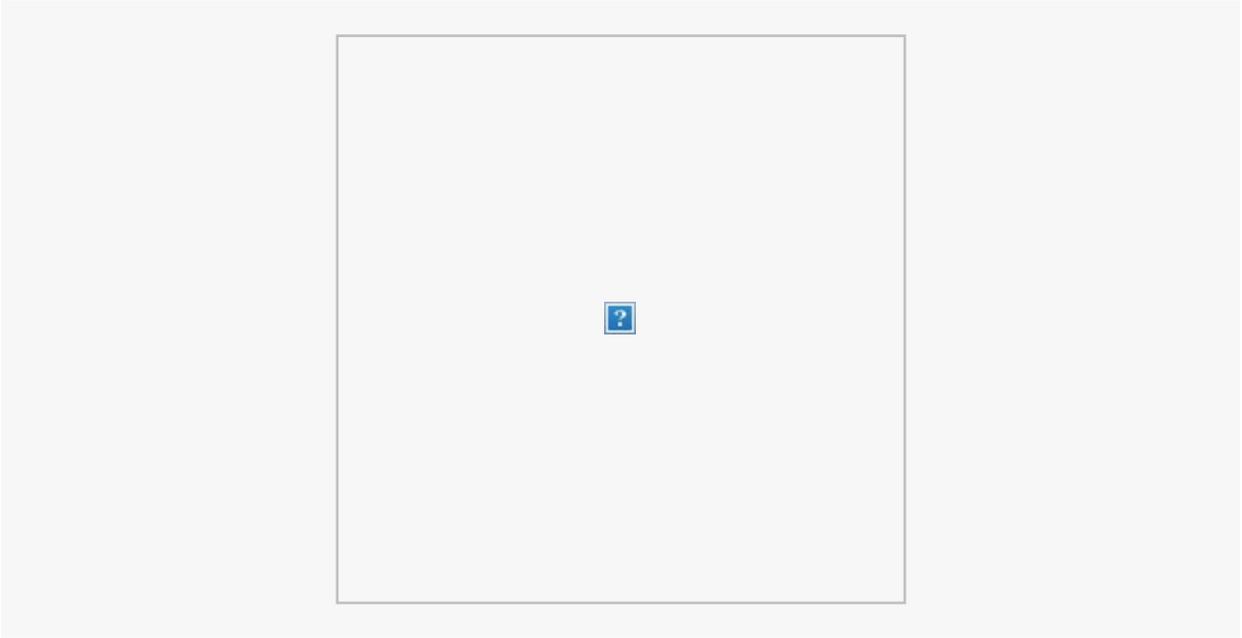


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March 22, 2024

Headlines - Aerospace & Defense - Budget & Economy - Advanced Tech - Military Installations & Communities - Homeland Security - Transportation & Infrastructure - Biotech & Healthcare - Climate & Development

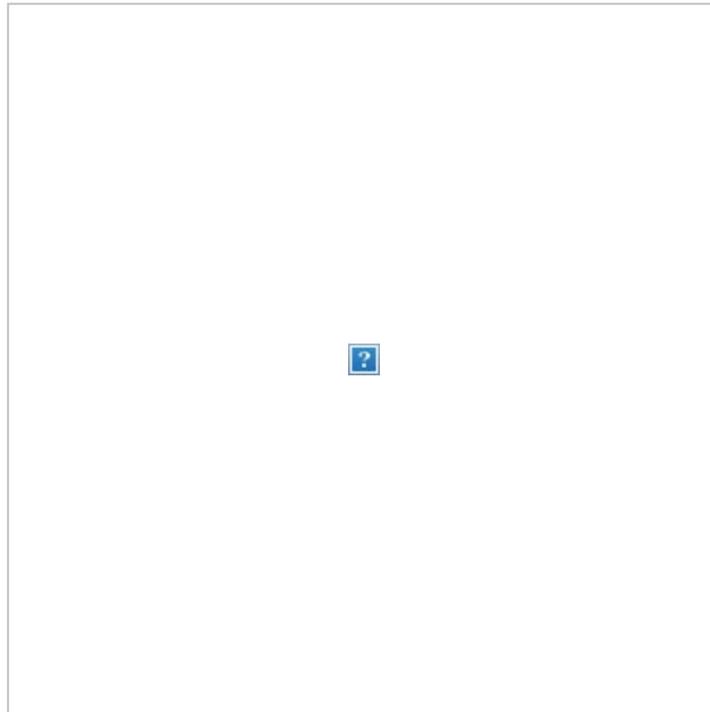
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Notable Headlines

- [World War Two 'Ghost Army' troops receive Congressional Gold Medal](#)
- [Indicted Sen. Bob Menendez teases independent re-election run if exonerated](#)
- [EU leaders will call for sustainable ceasefire in Gaza, Borrell says](#)
- ['Depravity': AG blasts white officers sentenced in racially motivated torture of 2 Black men](#)
- [Gazans increasingly back a two-state solution, as support for Hamas drops](#)

Worth reading: [GOP lawmaker: I'm not sure we ever had votes for impeachment](#)

View From The Hill



As Congress prepares to leave town for a two-week spring recess, lawmakers and aides spent the week finishing up last minute negotiations on the remainder of fiscal year (FY) 2024 spending legislation to avoid a partial federal government shutdown when the current CR expires today. While last week ended with an assumption that the Department of Homeland Security—the last major hold-up in FY24 negotiations—would be placed on a continuing resolution (CR) for the rest of the year, the White House [rejected](#) the proposal

over the weekend and sent negotiators back to the drawing board. Ultimately, the pressure shook loose bipartisan agreement on key border security provisions and unlocked agreement to avoid the use of a CR.

[Text](#) of the package was released in the early hours of Thursday morning with a final vote in the House [expected](#) today, though Republican leadership was struggling to whip enough votes as of Friday morning. The Senate will then immediately take up the measure with final passage expected late Friday or over the weekend. Both Republicans and Democrats claimed victory in the final deal, with Republicans touting more immigration detention space and border security technology funding and Democrats highlighting provisions related to climate change resiliency at the Department of Defense and childcare funding.

The House Foreign Affairs Committee [held](#) a hearing this week with former Chairman of the Joint Chiefs of Staff, Gen. Mark Milley, and former head of U.S. Central Command, Gen. Frank McKenzie (ret.) concerning the chaotic U.S. withdrawal from Afghanistan in 2021. Testimony from these two key players in the military component of the withdrawal both testified that the Biden Administration was ill prepared to successfully evacuate Americans and Afghan allies from the country, placing most of the blame at the feet of the State Department, who they say was too slow to call for Americans to leave and failed to properly plan for widespread evacuations.

The Ohio GOP Senate Primary [saw](#) Cincinnati businessman and Trump-endorsed Bernie Moreno cruise to victory in the race to challenge incumbent Senator Sherrod Brown (D-OH) in November. Moreno overcame challenges from more moderate GOP candidates, showing Trump's continued influence on political endorsements. The Ohio Senate race will be a major center of gravity in the battle for control of the Senate come November. It is safe to say that Moreno is Sen. Brown's preferred candidate in the race, as he hopes to attract independent-minded voters in a year when Trump will be on the ballot in increasingly red-leaning Ohio. Embattled Senator Robert Menendez (D-NJ), facing sixteen federal corruption counts, [announced](#) he would not run in his state's Democratic primary for Senate this year, instead indicating that he may run as an "Independent Democrat" should he be exonerated in his upcoming trial.

In the wake of Senate Majority Leader Chuck Schumer's (D-NY) remarks last week challenging Israel's actions in Gaza and criticizing Israeli Prime Minister Benjamin Netanyahu, Senate Republicans, who have been quick to criticize Schumer on his remarks, [heard](#) directly from the Israeli leader via videoconference in their weekly policy luncheon. A similar request to address Senate Democrats was denied, with Sen. Schumer expressing concerns over the politicization of Israel. House Speaker Mike Johnson also indicated that he would invite Netanyahu to address a joint session of Congress in the near future, though the timing and confirmation of that remains up in the air.

As the Senate considers whether to adopt the House-passed legislation which effectively bans the popular social media app TikTok under its current ownership structure, Senators received a classified briefing from federal agency leaders on the national security concerns associated with the platform. Meanwhile the House [passed](#) another bill aimed at bolstering user data privacy. This legislation would target data brokers who sell user information to foreign adversaries.

The brother of retiring Rep. Dan Kildee (D-MI) was [shot](#) and killed this week by his own son in a domestic dispute, which ended in a multiple vehicle crash and 16 felony charges for the congressman's 27 year-old nephew.

Aerospace & Defense

[Boeing burns more cash than expected as it limits 737 production \(Reuters\)](#)

Ever since a panel blowout during a flight in January, Boeing cannot seem to get away from bad news. First it was halting production of their 737 production until the FAA was satisfied with their control metrics. Now, CFO Brian West told a Bank of America conference that Boeing's cash burn will be somewhere between "\$4 billion and \$4.5 billion" which is higher than they planned back in January. Backlogs of aircrafts continue to frustrate airline executives who are trying to obtain additional aircraft to meet demand. Some airlines have resorted to cutting routes to alleviate some of the issues. Regulators have limited Boeing's 737 production to 38 month, but Brian West says they are producing fewer than the allowable amount, but did not elaborate as to why. With all these plaguing Boeing they will need more time to achieve their goal of \$10 billion cash flow by 2025.

[Russia says its production of artillery shells has soared](#)

[F-35 delivery delays frustrate European air force upgrade plans \(DefenseNews\)](#)

European buyers are getting headaches from F-35 Joint Strike Fighter delivery disruptions. Denmark is exploring how to deal with the delays by possibly borrowing or buying aircraft from other users. Norway has a more gloomy outlook saying there's a "risk of full operational capacity if its F-35 fleet will be pushed back." The deliveries are on hold as Lockheed Martin wrestles with an upgrade called Technology Refresh 3. It was planned for summer 2023, but CEO Jim Taiclet said its completion is more likely headed for the third quarter. Denmark and Belgium are eager to replace their more than 40 year old F-16s, but these delays are becoming frustrating.

Budget & Economy

[Federal Reserve March meeting: Rates hold steady; 3 cuts seen in '24 despite inflation \(USA Today\)](#)

The Federal Reserve left its key interest rate unchanged again Wednesday and stuck to its forecast of three rate cuts this year despite signs that inflation may stay elevated longer. Officials also bumped up their estimates of economic growth and inflation in 2024. The decisions made by the Fed puts its benchmark short-term rate "at a 23 year high of 5.25% to 5.5% for a fifth straight meeting." This means that Americans will continue to pay higher borrowing costs. The Fed said in a statement it "does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation (now close to 3%) is moving sustainably" towards the Fed's 2% goal.

[Congress proceeds with \\$20B cut to IRS modernization fund in FY 2024 spending deal](#)

[Switzerland becomes first major economy to cut interest rates \(CNBC\)](#)

In a surprise move, the Swiss National Bank made a decision to lower its main policy rate by .25 percentage points to 1.5%. Economists who were polled by Reuters expected the Swiss to hold rates steady. With this move Switzerland is the first major economy to cut interest rates after a prolonged period of high inflation. The Swiss National Bank also reduced its annual inflation forecasts. The bank “now sees average inflation reaching 1.4% in 2024, down from its 1.9% estimate in December.” Some analysts expect two more cuts by the Swiss bank by the end of the year. Their meeting in September is “likely to be the last under stewardship of SNB Chairman Thomas Jordan, who will step down at the end of that month after 12 years at the helm.”

Advanced Technologies

[UN adopts first global artificial intelligence resolution \(Reuters\)](#)

As artificial intelligence is starting to dominate the marketplace and governments are going back and forth on how to regulate, the UN has made the first step with a resolution. While the resolution is nonbinding, it does indicate countries are serious about taking action. The resolution was proposed by the US and co-sponsored by China and 121 other nations. It took 3 months to negotiate and also advocates for “strengthening privacy policies.” The resolution also encourages protecting personal data, monitoring AI for risks, and safeguarding human rights. While the space surrounding AI regulation is ‘choppy waters’ it is encouraging the UN is willing to take a stand on the issue. The resolution may become the basis for other nations to take to their national legislatures to begin their own, more binding regulations.

[Reddit users downvote stellar Wall Street debut](#)

[DOJ sues Apple over iPhone monopoly in landmark antitrust case \(CNBC\)](#)

On Thursday, the Department of Justice sued Apple saying its iPhone ecosystem is a monopoly that drove its “astronomical valuation” at the “expense of consumers, developers and rival phone makers.” The lawsuit takes aim at almost all of Apple’s biggest services. They claim Apple’s anti-competitive practices extend to their advertising, browser, FaceTime, and news offerings. After the news of the lawsuit Apple shares fell more than 4%. If the DOJ successfully broke-up Apple under the Sherman Act it would mark the first time that has occurred since the breakup of the Bell System in 1982. In a release the DOJ said to keep consumers buying iPhones, “Apple moved to block cross-platform messaging apps, limited third-party wallet and smartwatch compatibility, and disrupted non-App Store programs and cloud streaming services.” The lawsuit could force Apple to make changes to its most profitable products. This will be one of the biggest antitrust cases we will see in a generation.

Military Installations & Communities

[Money for 5.2% troop pay raise, enlisted hardship bonuses included in last-minute government funding bill \(Military.com\)](#)

Six months after the fiscal year started and just two days before a partial government shutdown, lawmakers have unveiled an agreement to provide the Pentagon with \$825 billion for this fiscal year. The agreement reached by party leaders in the House and Senate provides the funding needed to support the pay raise troops received in January. Even though the pay raise was approved before an appropriations bill, officials have said not having the funding for the raise “could eventually force the department to cannibalize other parts of the personnel budget.” A 30% pay raise for junior enlisted troops was not included in the final bill, but lawmakers have signaled they are looking to boost their pay for next fiscal year. The bill which does not have Republican riders that were a nonstarter for Democrats, there is enough for each party to claim some sort of victory lap.

[Veteran Toxic Exposure Fund Overhaul Proposal Ignites Fierce Debate over PACT Act Benefits](#)

[Marines fly flags at half-mast after revered former Commandant Al Gray dies at 95 \(Military.com\)](#)

On Wednesday, the 29th commandant of the Marine Corps, retired Gen. Al Gray passed away. Gray served as commandant from 1987 to 1991. He was commissioned as an officer in 1952 and served in the Marine Corps for 41 years before his retirement in 1991. Gen. Eric Smith, the current commandant said “Gray was a ‘Marine’s Marine’ – a giant who walked among us during his career and after, remaining one of the Corps’ dearest friends and advocated even into his twilight.” Gray was lauded by Marines both past and present for this no-nonsense approach to leadership, especially as the country entered the Gulf War during his tenure. Gray’s service was vital to the Marine Corps as he developed the maneuver warfare doctrine, Warfighting, which still serves as the philosophic bedrock of how Marines fight. The Marine Corps will honor his legacy by having “all Marine Corps installations fly flags at half-mast until sunset in mid-April.”

Homeland Security

[Homeland Security’s CWMD unit loses 10% of staff, faces continued attrition concerns \(Federal News Network\)](#)

Although an agreement has been reached between lawmakers over issues surrounding the budget for the Department of Homeland Security, it has not prevented those from sticking around longer. The Countering Weapons of Mass Destruction (CWMD) office has lost 10% of its staff as many leave due to uncertainty around the future of the office. Mary Ellen Callahan, the director of the CWMD testified to congress that “the threat of termination for the office has created a great deal of uncertainty.” She continued saying it also “created a distraction.” CWMD has lost 24 out of its 240 employees, which represents over 300 years of CWMD experience. Morale issues also continue to hurt the office as the CWMD office sits at the bottom of federal employee engagement scores.

[Migrant Caught at Border Claimed to Be Hezbollah Terrorist](#)

[DHS Unveils AI Roadmap and Announces Pilot Projects to Maximize Benefits of Technology \(Homeland Security Today\)](#)

Secretary of Homeland Security Alejandro N. Mayorkas and Chief Information Officer and Chief Artificial Intelligence Officer Eric Hysen announced the Department of Homeland Security's (DHS) first "Artificial Intelligence Roadmap." This roadmap details DHS' 2024 plans "testing uses of the technologies that deliver meaningful benefits to the American public and advance homeland security, while ensuring that individuals' privacy, civil rights, and civil liberties are protected." Many federal departments are getting involved with adding AI into their day to day operations, aiming to be better and more efficient. Congress has yet to put out any sort of formal regulation and until that happens many Departments are likely to continue adding in AI.

Transportation & Infrastructure

[United starts letting friends and family pool frequent flyer miles \(CNBC\)](#)

United Airlines is coming on board with something JetBlue and Frontier already do, allowing customers to pool their miles. This will allow one person to assume the role of "pool leader" and add up to four family members or friends to participate in a joint account. While each person would still be in charge of their own MileagePlus accounts they can decide how many miles they want to contribute to the pool. It is important to note once the miles go into the pool they cannot be transferred back to a personal account. It is possible with this feature it will drive families or friends to have a brand preference or increase a preexisting preference.

[US Transportation Department launches probe into handling of passenger personal data by airlines](#)

[LA City transportation workers authorize strike \(CBS\)](#)

Transportation workers in one of the largest cities in America are going on strike. Teamsters Local 572 have been in negotiations with the city for months to "ensure fair wages and improved benefits." The transportation workers drive and maintain Los Angeles' transit fleet including "DASH, Commuter Express, Cityride and LAnow." Although a strike has been authorized, specific action plans are still being developed. LA officials are also preparing to meet with the transportation workers. Increases to base wages has been a part of these ongoing conversations and the Department of Transportation noted in a report the city's rates for drivers are among the least competitive in the region.

Biotechnology & Healthcare

[A lifesaving therapy for children with a rare disease is now the world's most expensive drug, raising questions about access \(CNN\)](#)

Metachromatic leukodystrophy or MLD, is a fatal genetic disorder. However, a new gene therapy has gotten the FDA stamp of approval and could actually free children of the disease itself. Before this gene therapy the only option available was hospice care. But this lifesaving treatment comes with a \$4.25 million price tag. While the wholesale cost isn't usually what patients pay, it is a cost considered and shouldered by public and private health insurance plans. Manufacturers say the benefits reflect the cost, having the chance to be free of a disease once thought untreatable. They also say they need to recoup the costs of development, testing and manufacturing. Some health policy experts say as the list of gene and cell therapies with high prices grows, "it may strain the ability of states and other insurers to cover their costs, and ultimately limit patient access if plans begin to exclude these therapies as a class from coverage." This is a landmark in the health world both by what the treatment can do and its cost. The next step will be to see how much it will cost the families.

[Patient receives kidney from genetically engineered pig in medical breakthrough that could end dialysis](#)

[UnitedHealth Group recovering from significant cyberattack: CEO \(ABC\)](#)

Last month UnitedHealth Group experienced one of the worst cyberattacks on a health care system in US history. Various parts of the healthcare space were targeted including pharmacies, medical claims, and payment systems. According to a letter from the American Hospital Association to the US Department of Health and Human Services, the attack "imposed significant consequences on hospitals and the communities they serve." Andrew Witty, UnitedHealth Group CEO, said the company is continuing to "make significant progress in restoring the services impacted by this cyberattack." The company has paid more than \$2 billion to assist health-care providers who have had their finances impacted due to the attack.

Climate & Development

[Biden administration rolls out new tailpipe rules that will boost EVs and hybrids \(CNN\)](#)

The Biden administration rolled out of the strongest new tailpipe rules for passenger cars and trucks that will decisively push the US auto market toward electric vehicles. There was a concession to automakers and labor unions to phase in the rules at a slower pace and give automakers more choices on how to comply. Almost a year ago the Environmental Protection Agency proposed a rule that "would have ensured two-thirds of all vehicles sold were electric by the end of this decade." They slowed down on those plans, but are nonetheless trying to push the country towards EVs. The rule boosts the role hybrids will play in the vehicle transition. The United Auto Workers union said, "the EPA has created a more feasible emissions rule that protects workers building (traditional, gas-powered) vehicles, while providing a path forward for automakers to implement the full range of automotive technologies to reduce emissions." Many are skeptical of the Biden administration's rules surrounding EVs indicating the market should dictate what

consumers drive, not the government. There will also need to be a significant buildup of EV charging infrastructure if the administration's goals are to be met.

[Easter eggs costs rise as climate change hits crops](#)

[The US may catch a spring break on weather. Forecasters see minimal flooding and drought for spring \(AP\)](#)

Federal meteorologists predicted that the US can expect a rather calm spring which is a welcome break from the past too rainy or too dry extremes. The National Oceanic and Atmospheric Administration (NOAA) calls for a spring that should be "warmer and wetter, but not prone to major flooding and drought at low levels." Ed Clark, Director of NOAA, said there is zero major or record flooding forecast with the East and Southeast predicted to get "more nuisance-type flooding that doesn't cause property damage." However, Clark says parts of the country should still be on alert for potential issues. Near the end of spring, flow rates along the lower part of the Mississippi River could be low for barge traffic and wildfire risk is still high for portions of the country.

Next Week's Hearings

Armed Service Committee:

House: None listed

Senate: None listed

Appropriations Committee:

House: None Listed

Senate: None listed

Homeland Security Committee:

House: None listed

Senate: None listed



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