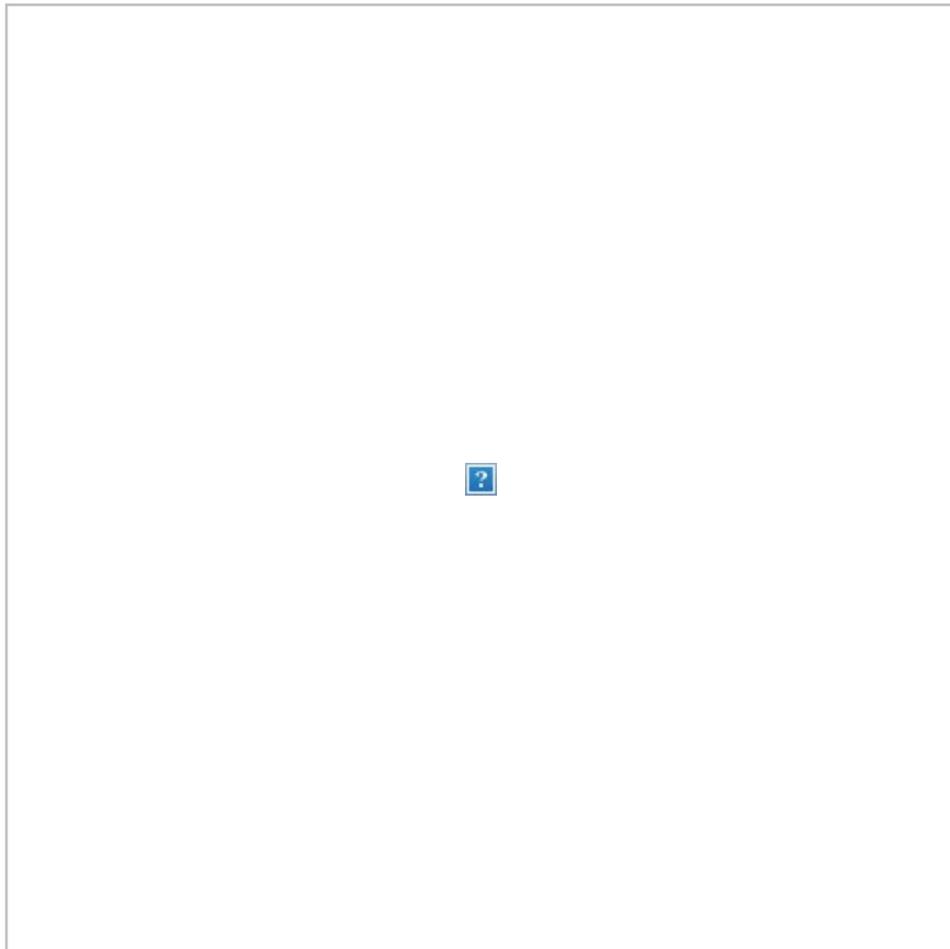
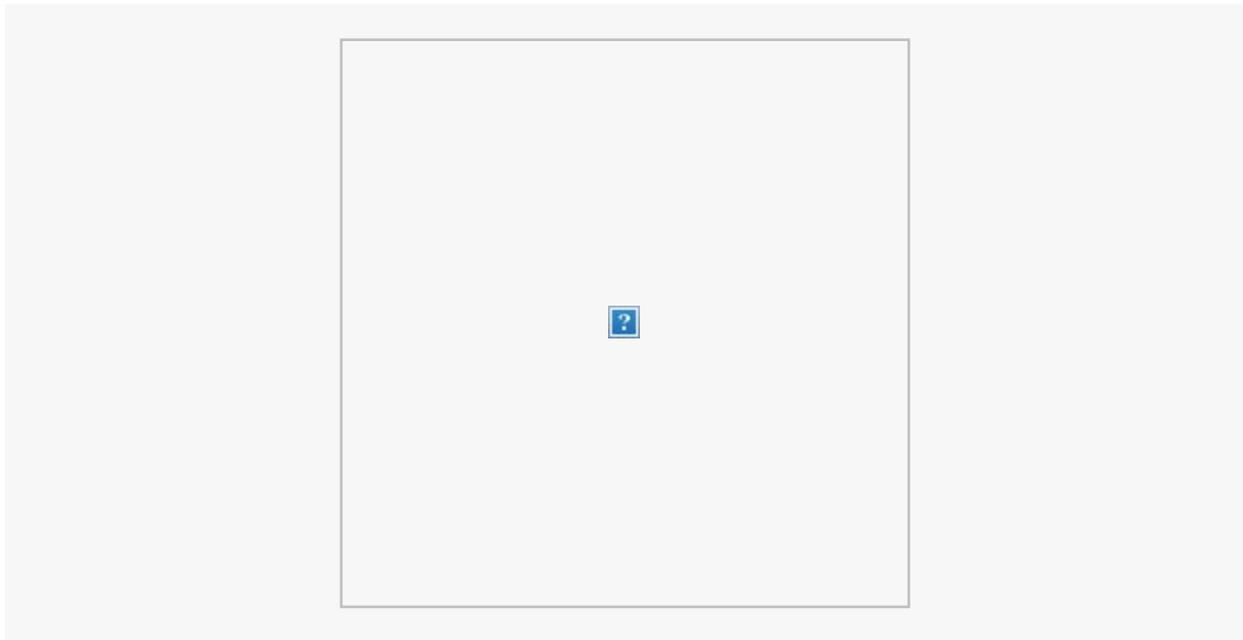


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July 5, 2024

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

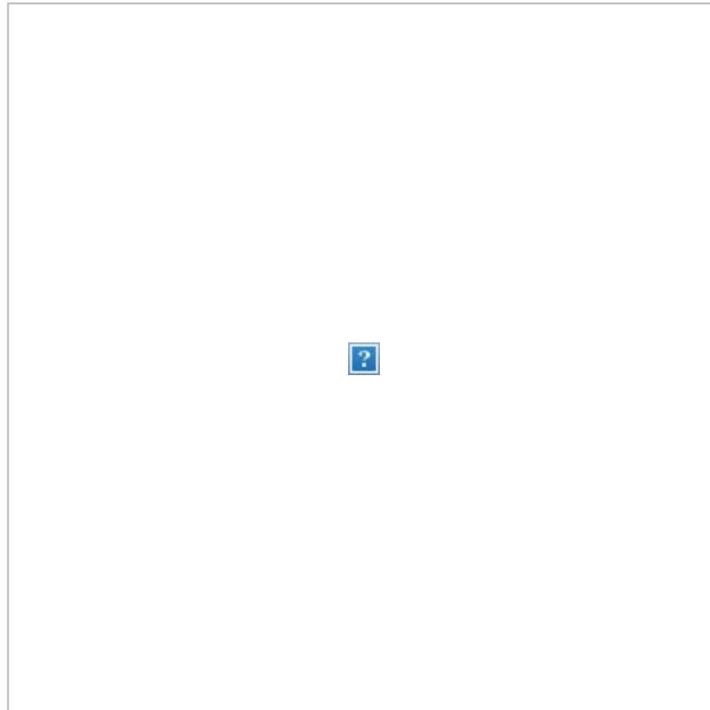
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Notable Headlines

- [How US strike curbs for Ukraine morphed from caveats to 'common sense](#)
- [Three NATO allies activate Black Sea task force](#)
- [Military investigators raid contractors near Army's training HQ](#)
- [First batch of Marine amphibious combat vehicles arrive in Okinawa](#)
- [Trump sentencing in hush money case is postponed until September after Supreme Court immunity ruling](#)

Worth reading: [UK election live updates and results: Exit polls suggest a landslide victory for Labour](#)

View From The Hill



Both the House and Senate were out this week for the Independence Day Recess, when elected officials march in hometown parades to hand out bumper stickers, kiss babies, and engage in all manner of politicking. In some ways, the recess was a political reprieve for Democrats, allowing them to avoid the Capitol Hill press corps the week after President Joe Biden's poor debate performance. That said, we were able to get a sense of lawmakers' [reactions](#) during last Friday's vote series on three appropriations bills. The

debate still, of course, remains the talk of the town, and top Democrats expressed frustration about President Biden’s team of advisers, the President himself, as well as the [lack](#) of post-debate communication to Capitol Hill Democratic Leadership. Some congressional Democrats have even gone so far as to publicly [call](#) for Biden to step aside and allow Vice President Kamala Harris to be the nominee—an astounding development well into election season.

In a bicameral [letter](#) to the Pentagon, Federal Trade Commission, and Department of Justice, Senator Elizabeth Warren (D-MA) and Representatives Mark Pocan (D-WI) and John Garamendi (D-CA) called on the government to better scrutinize recent defense contractor acquisitions by TransDigm Group. The lawmakers’ letter expressed concern that these and similar acquisitions are contributing to reported price gouging of the Department of Defense for space parts and that American taxpayers are being ripped off in the process. The letter cites a 2019 government audit, which found that TransDigm received \$37 million in “excess profit” on military spare parts, alone.

The House Judiciary Committee [filed](#) a lawsuit against Attorney General Merrick Garland this week, seeking access to audio recordings of special counsel interviews with President Joe Biden in the investigation into his mishandling of classified documents. While Congress and the public have received transcripts of the interviews, House Republicans are seeking audio recordings, after the report concluded the President exhibited “limited memory.”

Aerospace & Defense

[How GAO told the Air Force to redo \\$12B systems integration contract \(Defense One\)](#)

The Government Accountability Office has told the Air Force to start over as it struggles to resolve a dispute between BAE Systems and Guidehouse over a \$12 billion contract for systems integration support of next-generation nuclear missiles. The original contract has been held by BAE Systems since 2013, supporting the Minuteman III system, which is now being replaced by ISC 2.0, a new contract connected to the Sentinel missile program. The dispute between BAE and Guidehouse has been ongoing since 2022 when BAE was initially awarded the new contract. Guidehouse successfully protested and was awarded the contract upon re-evaluation by the Air Force in 2024. In response, BAE has submitted their own protest, and once again, the GAO has told the Air Force to re-evaluate both proposals. A large part of the dispute is over the Air Force’s evaluation of compensation plans and how the service accepted changes to Guidehouse’s proposal, despite the GAO telling them that they were to have BAE and Guidehouse to submit revised cost/price proposals but that they were not to accept updates to other parts of company proposals. The GAO has said that “the Air Force should re-evaluate all proposals in accordance with the solicitation. But if the Air Force finds the solicitation no longer reflects how it wants to evaluate proposals, then the branch should amend the solicitation and ask for revised proposals”.

[Explainer: How a Boeing Plea Deal Could Affect The Planemaker](#)

[Marines sink moving vessel at sea with new missile in Pacific training \(Defense News\)](#)

“A Marine helicopter crew sank a moving training vessel near Okinawa, Japan, using a newly acquired “fire and forget” missile for the first time in the Indo-Pacific region”. This is the first use of the newly acquired AGM-179 joint air-to-ground missile in such a strike mission. The missile replaces the radar-guided Longbow missile as well as the laser-guided AGM-114, and can be fired from fighter jets, ground vehicles, or helicopters. It can “be used to defend key maritime terrain against a wide range of targets from armored vehicles to maritime patrol craft during conflict”. The missile contains “a tri-mode seeker that pairs with a low-cost imaging sensor with the semi-active laser and millimeter wave sensors” this allows the shooter to fire the weapon and then fly away. The missile is produced by Lockheed Martin.

Budget & Economy

[US Labor Market Steadily Easing Despite Rise in Job Openings \(Reuters\)](#)

U.S. job openings rose in May after continuous declines in the past two months. Still, the trend was consistent with easing hot labor market conditions, which may allow the Federal Reserve to cut interest rates this year. The Job Openings and Labor Turnover Survey (JOLTS) report from the Labor Department showed there were 1.22 job openings for every unemployed person in May, the lowest ratio since 2021. The Federal Reserve will look to keep borrowing rates at a level that keeps inflation low and prevents any damage to the labor market. Now, a gradually rebalancing labor market and subsiding inflation are allowing the U.S. central bank to begin its easing cycle. Job openings decreased among businesses with one to nine employees but increased among companies with ten to 49 employees. The South experienced substantial job gains, while vacancies increased in the Midwest, Northeast, and West.

[The world is sitting on a \\$91 trillion problem. ‘Hard choices’ are coming \(CNN\)](#)

[EU Bank, NATO Fund Partner to Support European Defense Businesses \(Defense News\)](#)

The European Investment Fund and NATO’s venture capital fund will share information and work closely together to support small and medium-sized companies focusing on security and defense. The European Union’s lending branch and the NATO Innovation Fund signed a memorandum this week to set expectations for closer cooperation and share information with the European Commission, though it did not refer to “joint investments.” The NATO Innovation Fund has up to €1 billion to disburse and plans to focus on “deep tech” like AI, quantum computing, and robotics. The European Investment Bank, jointly owned by EU member states, supports businesses accessing capital and providing loans. The EIB aims to generate about €145 billion in investments for businesses and prioritizes reconnaissance, spectrum control, cybersecurity, and infrastructure sectors.

Advanced Technologies

[Pentagon wants to make AI acceleration initiative a long-term fixture \(Defense News\)](#)

Deputy Secretary of Defense announced the AI and Data Acceleration initiative in May 2021, intending to use experimentation and exercises to help combatant commands use digital tools for command and control, logistics, and maintenance. The initiative involved integrating teams of data scientists, engineers, and coders into each combatant command to assess the commands' digital readiness and current capabilities and provide feedback on areas to invest in for accelerated progress. The Pentagon's chief digital and AI officer told C4ISRNET in a recent visit to CENTCOM, "the teams have been widely successful, so much so that DoD leaders want to work on making this initiative a permanent fixture." The initial funding for ADA ends this fiscal year, but the Pentagon plans to extend that through 2029 and has requested \$14 million for fiscal 2025. The team within CENTCOM has completed their readiness assessment and has created multiple AI and data tools that can be scaled using the new process, Open Data and Applications Government-owned Interoperable Repositories construct (Open DAGIR). While Open DAGIR has helped to automate and centralize data, it has not solved the issue entirely, and there is still work to be done regarding back-end improvements."

[US soldiers will get electronic warfare backpacks later this year](#)

[DARPA wants to use AI to find new rare minerals \(Defense One\)](#)

DARPA has partnered with HyperSpectral, which uses AI to spectroscopic data, which could be the key to using drones or satellites to find challenging minerals. The CEO of HyperSpectral, Matt Thereur, explained in an interview that spectroscopy "studies how matter interacts with light or other forms of radiation across different wavelengths to pick up on specific minerals and substances that emit unique signifiers." The company is working to integrate IA to help with certain aspects, such as "looking for all the relationships that can sometimes be obscured by the noise that exists in nature and combining multiple types of spectroscopic analysis in a single data picture." As spectroscopy only needs a few specific satellites, it could be helpful for future intelligence collection by finding particular materials used in adversary equipment and vehicles. The new partnership shows tremendous potential in future applications that can help the Pentagon get better access to rare Earth materials that have so far been discovered in China and use spectral data to move the building of critical weapons and supplies closer to the frontlines, which will be crucial in defending the Pacific.

Military Installations & Communities

[Europe Military Bases Go on Heightened Alert as Pentagon Officials Cite Olympics, Euro Cup \(Military.com\)](#)

All U.S. military bases across Europe were put on heightened alert over the weekend due to concerns that terrorist activity or attacks are "likely." Pentagon officials said on Monday that the decision to put the bases on the second-highest alert status was made out of an overabundance of caution rather than a specific threat. Due to several major public events over the summer, including the Euro Cup and the Olympics, the U.S. European Command ordered bases on the continent to force protection conditions "Charlie." Defense officials said the move was made to curtail nonessential personnel, and the U.S. State Department advised U.S. citizens abroad to exercise increased caution and be aware of the potential

for terrorist organization-inspired violence. There is currently no timeline for when the restrictive measures would end at bases in Europe, and no public information about whether other bases worldwide would increase their defensive posture.

[Here's What Biden and Trump Actually Did for Veterans as President](#)

[UGA and Army unite to support military installations \(University of Georgia\)](#)

The University of Georgia and the U.S. Army have signed a regional intergovernmental support agreement (RIGSA) to enhance the resilience of Georgian military installations and the surrounding communities. The deal authorizes up to \$100 million over ten years to streamline the ability of Army installations to obtain services from UGA and its partners and is to be administered through the UGA Carl Vinson Institute of Government. Forts Eisenhower, Moore, Stewart, Jackson, Liberty, Novosel, Johnson, and Redstone Arsenal and their surrounding communities are all expected to benefit, and the partnership may expand to other installations in the continental U.S., Alaska, Hawaii, and Puerto Rico, as capacity allows.

Homeland Security

[US deports 116 Chinese migrants in first 'large' flight in 5 years \(AP\)](#)

On July 2, the Department of Homeland Security announced that it had deported 116 Chinese citizens who sought to enter the country illegally over the weekend. Following the global pandemic, and the growing difficulty of obtaining U.S. visas, there has been a sharp increase of Chinese migrants attempting to enter the U.S. through the Southwest border. In the 2024 fiscal year alone, nearly 56,000 migrants have been encountered at the Southwest border with Mexico, and the Northern border with Canada. In 2023, US border officials arrested more than 37,000 Chinese citizens at the southern border. Earlier this year, the U.S. and China resumed cooperation on migration issues, and DHS has stated that they are actively working with China on more removal flights in the future. This news comes in during a campaign season, where Republican candidates run primarily on promises to curb illegal immigration.

[The terrorism threat to the 2024 Paris Olympics: Learning from the past to understand the present](#)

[United States Signs Arrangement with Panama to Implement Removal Flight Program \(DHS\)](#)

On July 1, the US and Panama jointly announced that the Department of Homeland Security would begin a new DHS funded foreign assistance program to address irregular migration in Panama. Namely, the program will assist the Panamanian government in removing foreign nationals who do not have a legal basis to remain in the country. The assistance will curb irregular migration through the Darien region, through which around 520,000 migrants traveled in 2023. The partnership includes collaboration for safe and

effective Panamanian repatriation operations, and a removal flight program. This announcement comes just after a month after President Biden issued a proclamation to temporarily suspend the entry of non citizens across the Southern border.

Transportation & Infrastructure

[Transportation capacity in June: No growth for first time in over 2 years \(Freight Waves\)](#)

While attitudes around transportation pricing indicated growth for a second consecutive month, the Logistics Managers' Index (LMI) displayed a 50 reading for transportation capacity in June, the first time in more than two years the index didn't expand. The LMI, a compilation of eight key components, is a diffusion index in which a reading above 50 indicates growth while a reading below 50 indicates contraction. The reading for transportation capacity in June was exactly 50, which has not happened since March 2022, just before the pandemic, and is 7.3 percentage points lower in June than it was in May. Transportation pricing on the other hand was up 3.2 points this month to 61, its highest level since June 2022. The pricing subindex was higher than the capacity subindex for a second straight month, a signal that the freight market is growing. The one-year-forward outlook for capacity(43.6) signals contraction, while the expectation for pricing(79.8) was solidly into expansion territory. The report, in commenting on the one year outlook, stated, "We are not ready to call an end to the freight recession that has gripped the industry for the last two years. However, if respondent future predictions are accurate, peak season materializes, and the trends of the last two months hold, it is likely the freight market will move back into a cycle of growth." The overall LMI logged a 55.3 reading for June, slightly lower than the month before, but still signaling expansion for the seventh straight month.

[GM's Cruise names former Amazon, Microsoft Xbox executive as new CEO](#)

[DOT awards \\$1.8B in transportation infrastructure grants \(Smart Cities\)](#)

The US Department of Transportation (DOT) announced late last week that a variety of road, rail, transit, and port projects are receiving \$1.8 billion in discretionary grant awards through their Rebuilding American Infrastructure with Sustainability and Equity program(RAISE). The US DOT states that the RAISE program "uses a rigorous merit-based process to select projects with exceptional benefits, explores ways to deliver projects faster and save on construction costs, and make needed investments in our Nation's infrastructure." Funding under this program, divided equally between urban and rural projects, was granted to 148 projects in all 50 states and the District of Columbia, American Samoa, Guam, and Puerto Rico. Among these grants is a grade separation project to reconstruct an existing railroad crossing in Santa Ana, California, a project building 4,000 feet of a multi-use path for pedestrians and cyclists in Toledo, Ohio, and three rural counties in Maine will replace their existing bus fleet with 24 electric buses. This year, the RAISE program received nearly \$13 billion in requests for the \$1.8 billion available.

Biotechnology & Healthcare

[FDA Approves Eli Lilly's Alzheimer's drug Kisunla \(NBC\)](#)

The FDA approved Eli Lilly's new Alzheimer's drug, Kisunla, which has been shown in clinical trials to moderately slow declines in memory and thinking abilities in people with the disease. The drug, generally known as donemab, is a monoclonal antibody infusion given every week, and works by targeting amyloid in the brain, which is considered a hallmark of Alzheimer's disease. The FDA cleared the drug for use in adults with mild cognitive impairment or early Alzheimer's disease and approved it based on a late-stage clinical trial of 1,700 people, which showed that the drug slowed the progression of Alzheimer's by 35%. Once the patient's amyloid has reached very low levels, Eli Lilly says that they would be allowed to stop taking the treatment, but it is unknown whether the amyloid will come back. Like other drugs in its class, Kisunla comes with potentially life-threatening side effects, such as brain swelling and brain bleeding, and three deaths were linked to the drug in clinical trials. An estimated 6.7 million people aged 65 and older were living with Alzheimer's last year, and that number is projected to grow to 13.8 million by 2060. While Eli Lilly has stated that Kisunla will cost \$32,000 for a 12-month supply, Medicare is expected to provide coverage for the drug.

[The Supreme Court just limited federal power. Healthcare is feeling the shockwaves](#)

[Healthcare workers are in demand- and the industry can't get enough of them \(Yahoo Finance\)](#)

The healthcare industry has been adding positions faster every month than most other sectors according to the US Bureau of Labor Statistics, which reported Wednesday that the sector added 68,000 jobs, 25% of the total job gains reported in the month. The number of added health jobs, which ranged from specialty doctors to physical therapists, consistently ranks healthcare among the top three sectors for total jobs added every month since April 2023. Experts say that this boom is partially a recovery from the pandemic, where nurses were in high demand which other specialties were not, and also driven by the aging baby boomer population. But even as jobs grow, the industry is facing an ongoing labor shortage, as not all added jobs are new jobs, with labor shortages across the board, shortages due to high levels of burnout among doctors and nurses, different needs across the country, and opportunities outside of traditional healthcare. This labor shortage is having downstream effects on other areas of healthcare, as 81% of healthcare leaders report delays in care due to shortages, which is leading hospitals to pay more to attract and retain staff, which is causing some leaders to delay investment in medical equipment or technology solutions. Healthcare leaders are looking to other options, such as a "care team", which comprises of physician assistants(PA) and nurse practitioners, which has been viewed as a way to alleviate the provider shortage problem. However, critics point out that nurse practitioners and PAs go through less rigorous training than doctors, and would be involved in providing care beyond their training, and because PAs work under a physician, they increase doctor's liabilities, all adding to the cost for providers. The US healthcare industry currently accounts for 17% of the economy, or more than \$4 trillion in spending.

Climate & Development

[Alaska Glaciers May Hit Irreversible Melting Point Sooner Than Expected, Study Finds \(Reuters\)](#)

After a June heatwave that scorched the United States' East Coast, researchers at Newcastle University in England have announced that glaciers in the Juneau Icefield in southeastern Alaska are melting at a much faster rate than previously anticipated. The study found that the icefield's volume shrank between 2010 and 2020 at twice the yearly rate recorded from 1979 to 2010, and that 108 glaciers have disappeared completely. The researchers explain that in addition to the Juneau Icefield being in danger of permanent decline, glacier melt is a major contributor to rising sea levels, which threatens coastal communities worldwide, contextualizing the impact that the decline of Alaska's arctic environments can have on the contiguous United States

[Hurricane Beryl reaches record winds of 165 mph as the Category 5 storm barrels toward Jamaica](#)

[President Biden Announces \\$1 Billion in Project Selections to Make Communities More Resilient to Climate Change and Natural Hazards Through His Investing in America Agenda \(DHS\)](#)

On July 2, President Biden, alongside Homeland Security Secretary Alejandro Mayorkas, and FEMA Administrator Deanne Criswell announced which 656 projects have been selected for \$1 billion in climate resilience funding as a part of his Investing in America agenda. The selections made in the Building Resilient Infrastructure and Communities program seeks to help state, Tribal, local and territorial governments address natural disasters ranging from hurricanes and earthquakes, to wildfires and extreme heat. Many of the President's legislative accomplishments directly work to support the goals in the Building Resilience program, making this announcement a victory for his platform. Namely, the President secured \$50 billion for climate resilience and adaptation through the Bipartisan Infrastructure Law and Inflation Reduction Act, and his Bipartisan Infrastructure Law contributed approximately \$398 million to the funds distributed to the 656 projects.

Next Week's Hearings

Armed Service Committee:

House: NONE

Senate: NONE

Appropriations Committee:

House: NONE

Senate: 7/11, 9:30 AM - FY2025 markup: MilCon-VA, Agriculture-FDA, and Legislative Branch

Homeland Security Committee:

House:

- 7/9, 10:00 AM - Protecting the Homeland – Examining TSA’s Relationships with U.S. Adversaries
- 7/9, 2:00 PM - Smart Investments: Technology’s Role in a Multi-Layered Border Security Strategy

Senate:

- 7/9, 9:45 AM - Business Meeting
- 7/10, 10:00 AM - Improving Transparency and Coordination



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