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View From The Hill



It was a major week in Washington, as lawmakers returned to Capitol Hill following President Biden's weekend announcement that he was ending his reelection campaign. Congressional Democrats quickly [united](#) behind Vice President Kamala Harris, essentially sealing the deal for her to become the party's nominee. Democrats around town exhibited renewed energy and optimism surrounding their prospects of keeping the White House in 2024, while Republicans are quickly working to reframe the race and adapt their approach to their opposing candidate.

Israeli Prime Minister Benjamin Netanyahu [addressed](#) a joint session of Congress on Wednesday, delivering a fiery speech in the House Chamber. Netanyahu received consistently raucous applause from the GOP, but also managed to secure applause lines from both sides of the aisle, at times. A good number of democrats [skipped](#) the address, citing opposition to Netanyahu or scheduling conflicts. The address was intended to shore up U.S. support for Israel in its ongoing war against Hamas in Gaza, and Netanyahu spoke against the rising tide of antisemitism and the Iranian regime.

Republican House Leadership was [forced](#) to begin the summer recess early by pulling planned votes on multiple fiscal year 2025 appropriations bills, amidst floundering support within their own conference. This effectively ends any progress towards full year appropriations by the House until lawmakers return in September.

Congressional investigations into the assassination attempt targeting former President Trump kicked into full gear this week, with the House Homeland Security, Oversight, and Judiciary Committees each holding their own hearings on the incident. House Homeland focused its hearing on state and local law enforcement who [supported](#) the U.S. Secret Service at the rally in Pennsylvania, and several Members of that panel traveled to visit the site of the shooting in person, going so far as to climb atop the same roof the gunman was on. The House Oversight Committee [subjected](#) Secret Service Director Kimberly Cheatle

to intense scrutiny, with Members on both sides of the aisle condemning her agency's handling of security at the rally and its response to the incident. Director Cheatle resigned the day following the hearing. House Judiciary [heard](#) testimony from FBI Director Wray on details of the ongoing criminal investigation.

Aerospace & Defense

[SECNAV announces \\$50 million Michigan workforce development initiative \(Inside Defense\)](#)

On July 23, Navy Secretary Carlos Del Toro announced the start of the new Michigan Maritime Manufacturing (M3) Initiative: a shipbuilding jobs program which seeks to build a training pipeline to staff thousands, including veterans, in defense jobs across Michigan. The M3 initiative is partnering with the Navy, Michigan Department of Labor and Economic Opportunity, and other state institutions to “implement a tailored and accelerated training curriculum focused on maritime welding and machining at... Macomb and Oakland Community Colleges,” according to Del Toro. The Navy has estimated that investments under the initiative will exceed \$50 million, and be split between several efforts. Notably, \$16 million for an accelerated welding and computer numerical controlled (CNC) machining training program, while \$10.8 million is allocated over five years to ACENET, a “hub-and-spoke network” of advanced machining training centers. The University of Michigan is also involved in the M3 initiative: the Navy has allocated \$14.5 million from the Office of Naval Research to build a center for Naval Research and Education at the University. At a time when the Navy has called for massive industrial base investments across the country to improve delivery timelines for frigates and Columbia and Virginia class submarine programs, Del Toro is certain that the M3 initiative will “reinvigorate” and expand the submarine industrial base workforce.

[NATO finds gaping holes in Europe's defenses](#)

[Pentagon creates regional partnerships to sustain gear far from home \(Defense News\)](#)

In an effort to move away from its reliance on hauling equipment back to the United States for repairs, the Pentagon is working with allies and partners to sustain capability in operational theaters, beginning in the Indo-Pacific. This project is based around a recently released regional sustainment framework which seeks to “satisfy demand closer to the point of need,” while enhancing U.S. and partner capabilities, according to Assistant Secretary of Defense for Sustainment, Christopher Lowman. This marks a historic shift in

tactics for the armed forces, as sustainment has long been viewed solely as a national responsibility. Lowman championed this new method of sustainment stating that the Pentagon's partner-focused plans are "a recognition that sustainment can be performed through a coalition and a network of regional providers, because... regional allies have... A desire to support the work." Through this system, Lowman also seeks to drive down costs: instead of building new maintenance and repair capabilities, the new program takes advantage of what already exists to build a "joint venture arrangement." Lowman is unable to disclose the countries the U.S. is partnering with in the Pacific, however said the Department of Defense plans to work first with 5 Indo-Pacific countries, followed by regional sustainment partnerships in Europe and Middle Eastern theaters in FY25, and finally South America and Africa in FY26.

Budget & Economy

[Exclusive: BOJ to weigh rate hike next week, detail plan to halve bond buying, sources say \(Reuters\)](#)

The Bank of Japan (BOJ) is likely to decide whether to raise interest rates in its meeting next week and unveil a plan to cut bond purchases by half, a signal that the Bank wants to roll back its massive monetary stimulus. This rate decision will depend on how long the board members prefer to wait for a clear picture as to whether consumption will recover and keep inflation at the bank's 2% target. Over 75% of economists polled by Reuters expect the BOJ to stay at their current position this month and move later on in the year, but the outcome is far less certain after the July meetings, according to inside sources. Core inflation hit 2.6% in June and worker's base pay rose by the most in three decades in May, leading credence to the idea that conditions may be better, but recent weak consumption drives the case that holding off for now and waiting for more data to determine whether tax cuts and rising wages will lift consumption. The consensus is that the BOJ will raise rates in the coming months, it's simply a question of when, as the BOJ governor recently stated that the central bank will hike rates if it's convinced that solid economic growth will keep inflation around the BOJ's target of 2%. At this month's meeting, the BOJ will also release details of a tightening plan on how it will taper its bonding buying in the coming one to two years and shrink its \$5 trillion balance sheet. The Bank will likely cut its bond purchases in several stages at a pace roughly in line with dominant market views, meaning that the BOJ will roughly halve monthly bond purchases in 1-½ to two years time.

[The US economy is pulling off something historic \(CNN\)](#)

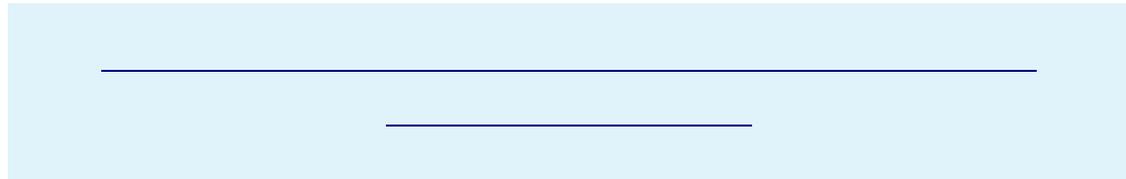
According to a Commerce Department report released Thursday, the economy was much stronger in the second quarter than economists predicted, expanding at a 2.8% annualized rate in the second quarter. Additionally, as the economy continued to expand from April through June, inflation resumed its downward trend and seems to be on track to slowing further toward the Federal Reserve's 2% target, fueling hopes that the economy is about to stick a "soft landing" or when inflation rates return to the Fed's target without a recession. This latest report showed that a key gauge of consumer demand picked up in the second quarter to an annual rate of 2.9%, matching the strongest pace in the past two years. The current health of the American economy, as evidenced by this report, demonstrates that Jerome Powell, chair of the Federal Reserve, has successfully handled inflation thus far, and is a big win for the current administration, who released a statement Wednesday applauding the strength of the economy. Federal Reserve officials meet next week to set monetary policy and they're widely expected to hold interest rates steady while offering officials a chance to communicate on whether they believe that inflation is under control. According to the Federal Reserve Governor Christopher Waller, current data is consistent with achieving soft landing and the Fed will be looking for data over the next few months to support this view, but Jerome Powell has not yet given a definitive signal as to what he'll do in the coming months.

Advanced Technologies

[Congress Calls for Tech Outage Hearing to Grill CrowdStrike C.E.O. \(NY Times\)](#)

On July 19, one of the largest IT outages in history occurred when a faulty software update from security vendor CrowdStrike shut down millions of Windows systems around the world. This malfunction affected everything from the FAA to healthcare industries, and it's estimated that the outage could cost Fortune 100 companies alone more than \$5 billion in direct losses. In the wake of this large-scale technical failure, the House Homeland Security Committee has called on the Chief Executive of CrowdStrike - George Kurtz - to testify. Representative Mark Green (R-TN), the Republican Chairman of the Committee wrote that Americans "deserve to know in detail how this incident happened and the mitigation steps CrowdStrike is taking." More than anything, the outage underscores the

reliance of big businesses on a select few companies to maintain its digital infrastructure - CrowdStrike is the second largest American cybersecurity company. The House Homeland Security Committee also voiced its fears that this technological failure makes the country look weak to foreign adversaries: “Malicious cyber actors backed by nation-states such as... Russia, are watching our response to this incident closely.” It remains to be seen whether the upcoming hearing will promote a change in how large companies protect critical digital infrastructure.



[Boeing eyes converting F-15EX into Growler-like electronic attack jet \(Breaking Defense\)](#)

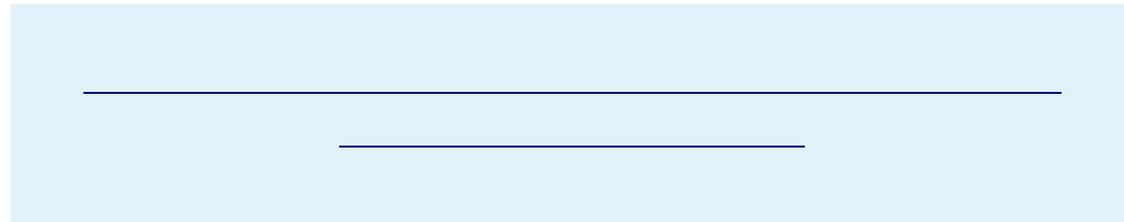
Boeing is said to be actively studying whether it can turn its F-15EX Eagle II into a platform similar to an EA-18G Growler - the Navy’s electronic warfare jet - according to a company executive. Rob Novotny, Boeing’s business development lead for the F-15 said that the F-15EX could turn into a modified version of the Growler, given that the Growler’s production is set to end in 2027. Novotny argued that a new definition of stealth enabled by features like electronic warfare (EW) capabilities is necessary. Namely, he argues that stealth shouldn’t be understood solely in terms of low-observable coatings, an area where Lockheed Martin has monopolized the market in stealth fighter production. The F-15EX is already equipped with EW capabilities, and should it be utilized in a Growler-like role, Boeing would expand the fighter’s EW capabilities to add jamming pods and enabling systems. The F-15EX hit initial operational capability in June, when it delivered operational combat jets to the Air National Guard. Boeing is further pitching the F-15 to Saudi Arabia and Poland, while Indonesia and Israel have already committed to buys.

Military Installations & Communities

[Russia Looks to Strengthen its Navy in its Conflict with the West \(Military.com\)](#)

Russia is planning to massively strengthen its navy against the backdrop of tensions with the West. Nikolai Patrushev, a close adviser to President Putin and the country’s former intelligence chief, stated that Russia needs to modernize its fleet, citing US and other NATO states expanding their naval presence around the world “including in the waters directly bordering Russia”. President Putin has ordered the strategic documents on the development of the Navy to be revised and corresponding instructions have been sent to the ministries and shipbuilding companies. The Russian navy has been used in the war

against Ukraine. The main part of the fleet in the Black Sea has withdrawn from the Crimean Peninsula to Novorossiysk following heavy losses.



[Pentagon to Review 20 Medals of Honor from Wounded Knee Massacre \(Military.com\)](#)

Defense Secretary Lloyd Austin has ordered the creation of a special panel to review the 20 medals of honor awarded to US troops for their actions at Wounded Knee in 1890. After investigating each awardee's individual actions and considering the context of the overall engagement, the panel will determine whether to retain or rescind the medals. The Wounded Knee Massacre occurred on December 29th, 1890, near Wounded Knee Creek in South Dakota. It was part of a larger effort by the US government to repress the Native American Tribes in the region and to eliminate a religious movement known as Ghost Dance. On the day of the massacre, the Army's 7th Cavalry were confiscating weapons from Lakota people when a scuffle took place and resulted in a one-sided firefight that left hundreds of Lakota dead. 20 Cavalrymen were awarded the Medal of Honor for their actions. The panel will determine whether any of the soldiers did anything that would disqualify them for the award, including intentionally directing an attack against someone who surrendered in good faith, murdering or raping a prisoner or engaging in any other act "demonstrating immorality". The panel will be using the military's 1890 standards for awarding the medal rather than today's standards. This is not the first time Medals of Honor have been reviewed. In 1916, Congress ordered the review of every Medal of Honor from the Civil War. 911 of them were rescinded though later 6 were reinstated.

Homeland Security

[Secret Service director steps down after assassination attempt against ex-President Trump at rally \(AP\)](#)

After a disastrous performance at a House Committee on Oversight and Accountability Hearing, Kimberly Cheatle stepped down from her role as Director of the Secret Service on July 23, just 10 days after the attempted assassination on former President Donald Trump. However, Cheatle's resignation is not likely to prevent further scrutiny of the Secret Service; an independent bipartisan effort launched at President Biden's request, and an inspector general probe will continue to investigate how this massive security breach was

possible. Following Cheatle's resignation, Homeland Security Secretary Alejandro Mayorkas appointed Deputy Director Ronald Rowe, who has worked in the agency for 23 years, as acting Director of the Secret Service.

[A DHS report on Jan. 6 could drop soon. It could be bad for the Secret Service \(Politico\)](#)

As the Secret Service fields multiple Congressional and independent investigations after the attempted attack on former President Trump, it is also gearing up to receive a report on another of its biggest security lapses; its response to the Jan. 6, 2021 attack on the Capitol. Investigators in the Inspector General's Office for the Department of Homeland Security - the Secret Service's parent agency - have finished a report on the security breaches of Jan. 6 and have passed it along to the Secret Service to review. While the report was initially thought to be released during the week of the 22nd, it seems to now be delayed - a standard approach with reports containing sensitive information. One of the biggest regarding the Secret Service's security approach is whether, and how the Service shared intelligence on the danger posed by pro-Trump rioters. Namely, before the violence broke out, Service personnel learned that many Trump supporters chose not to attend a speech by Donald Trump on the Ellipse when they learned that their weapons would be confiscated. The Service is under further investigation for deleting text messages between its agents on the day of the attack. It remains to be seen whether the report, when released in conjunction with the current investigations on the Service, will result in more resignations or disciplinary measures for involved personnel.

Transportation & Infrastructure

[Delta's 'widespread flight disruptions' prompt Department of Transportation investigation \(USA Today\)](#)

After the fallout from last Friday's CrowdStrike outage, Delta Air Lines continues to struggle to get operations back on track despite other airlines getting more or less back to normal. As a result of "Delta canceling more than 5,500 flights, with thousands of delayed flights, the Department of Transportation is investigating the continued widespread flight disruptions and concerns about customer service failures." Secretary of Transportation Pete Buttigieg said in a statement that "our department will leverage the full extent of our

investigative and enforcement power to ensure the rights of Delta's passengers are being upheld." The rights being referred to are the full refund of their payment method and, under Delta's customer service policy, the guarantees of meals or meal vouchers, hotel accommodations, and ground transportation to and from the hotel.

[Las Vegas transit system is the nation's first to plan full deployment of AI surveillance system for weapons \(CNBC\)](#)

The Regional Transportation Commission of Southern Nevada will be the first transit system in the U.S. to implement system-wide AI weapons scans. As a part of a "\$33 million multi-year upgrade, the security of the local transit system in Vegas will add a system-wide AI that includes gun detection software vendor ZeroEyes that will scan riders on over 400 buses." As a consequence of violent crime on transit systems in major metro areas, there has been a rise in public fears about the safety of public transportation, increasing the need to monitor and prevent crimes. Although Vegas's transit crime rates are low compared to other transit systems, public safety officials always fear the potential of an incident. ZeroEyes, once it detects a gun, it can alert a staffed operations center that identifies the threat level. Purdue Northwest University's public safety team states, "as the technology advances, it is something we could be interested in because you need a layered approach to law enforcement."

Biotechnology & Healthcare

[GE HealthCare taps Amazon Web Services to Build Generative AI for Medical Use \(CNBC\)](#)

GE Healthcare has announced its partnership with Amazon Web Services to build new generative AI models that can efficiently analyze complex medical data. The healthcare industry generates about 1/3 of all data globally. However, the data is not easily accessible because things like medical records, images, scans, and insurance information are stored across different file formats and systems. In fact, about 97% of the data produced by hospitals goes unused according to a study from Deloitte. GE Healthcare's partnership with AWS will look to create models that allow clinicians to leverage data more efficiently across healthcare operations. Additionally, GE Healthcare will also explore how to use generative AI to streamline the company's internal productivity.

[Shingles vaccine may help delay dementia - study \(BBC\)](#)

A new study in the journal, Nature Medicine suggests that being vaccinated against shingles may help delay getting a dementia diagnosis. The study builds on work made from previous suggestions that a shingles shot may have the unintended benefit. Researchers compared about 100,000 people who had a new shingles vaccine compared to a group who had an older one. On average, "those who had the new jab had an extra 164 days free from a diagnosis of dementia over six years." Scientists say further work is needed to prove the link. While shingles itself is a very painful and serious condition there is growing evidence it could help protect against dementia, but there is no definitive proof yet. While similar numbers still got dementia by the end of the study, those who had a newer vaccine were able to have more time before the diagnosis.

Climate & Development

[E.P.A. Announces \\$4.3 Billion in Funding for 25 Climate Projects \(NY Times\)](#)

On July 22, the EPA announced \$4.3 billion in funding for over 25 projects proposed by states, tribes, local governments and territories. The funding could reduce greenhouse gas emissions by as much as 971 million metric tons by 2050. The biggest winners are Nebraska and Pennsylvania: the former received \$307 million to reduce agricultural waste and enhance energy efficiency in homes and buildings, while the latter was awarded \$396 million to reduce industrial pollution and create 6,000 jobs. The programs themselves are anticipated to be extraordinarily influential: Leirion Gaylor Baird, the Mayor of Lincoln, Nebraska believes the funding could help reduce Lincoln's greenhouse gas emissions by 77 percent by 2050. Other regions, like Southern California and Michigan earned money to decarbonize freight vehicles and collaborate with tribal partners to adopt new renewable energy projects, respectively. The funds for these projects comes from the Climate Pollution Reduction Grants program, a \$5 billion fund included in the Inflation Reduction Act. The Act was a key victory for the Biden administration, and has since provided \$396 billion in climate and clean energy funding. The Administrator of the EPA, Michael Regan, estimates that the funds will be delivered to states by early fall.

[Why is the Oil Industry Booming? \(NY Times\)](#)

Despite global efforts to increase the usage of renewable energy and electric vehicles, high prices and growing demand have allowed U.S. oil producers to enjoy massive profits. After years of losing money on horizontal drilling and hydraulic fracturing, the stocks of companies like Exxon Mobile and Diamondback Energy are at record levels. This success can be mainly attributed to market forces, and Russia's war on Ukraine; since early 2021, U.S. oil prices have averaged around \$80/barrel, compared to \$53 in the four previous years. Since 2021, oil and gas wells in the contiguous 48 states have generated more than \$485 billion in free cash flow, a stark contrast to the previous decade where the industry spent \$140 billion more than it took in. Samantha Gross, Director at the Brookings Institution, stated that she believes that demand for oil will soon go down. However, while oil makes up a smaller portion of global energy than it did before the pandemic, in part because of the growth of electric vehicles, oil is continuously in demand. For example, in 2023, global demand reached a record of 100 million barrels a day; up 2.6% from 2022. These statistics demonstrate how difficult it may be for clean energy advocates to transform an industry that seems reluctant to move away from oil.

Next Week's Hearings

Armed Service Committee:

House: NONE

Senate: NONE

Appropriations Committee:

House: NONE

Senate: 8/01, 9:30 AM - Markup of the Energy and Water Development; Defense; Labor, Health, and Human Services; Homeland Security; and Financial Services and General Government Appropriations Acts

Homeland Security Committee:

House: NONE

Senate:

- 7/30, 10:00 AM - Examination of the Security Failures Leading to the Assassination Attempt on Former President Trump
- 8/01, 10:00 AM - Safeguarding the Homeland: Examining Conflicts of Interest in Federal Contracting to Protect America's Future



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