

June 25, 2021

Washington Update

This Week In Congress

Senate – The Senate failed to adopt a motion to proceed to the For the People Act ([S. 2093](#)), a package of election reform measures. The Senate passed the Growing Climate Solutions Act ([S. 1251](#)) and a bill to amend the Sarbanes-Oxley Act of 2002 to institute a trading prohibition for certain issuers that retain public accounting firms that have not been subject to inspection by the Public Company Accounting Oversight Board ([S. 2184](#)). The Senate confirmed the nominations of Christopher Fonzone to be General Counsel at the Office of the Director of National Intelligence, Robin Carnahan to be Administrator of General Services, Ali Nouri to be Assistant Secretary of Energy, Kiran Ahuja to be Director of the Office of Personnel Management, Anne Milgram to be Administrator of Drug Enforcement, Dawn Myers O’Connell and Miriam Delphin-Rittmon to be Assistant Secretaries of Health and Human Services, Carlos Monje to be Under Secretary of Transportation, Maryanne Donaghy and Patricia Ross to be Assistant Secretaries of Veterans Affairs, and several judicial nominees.

House – The House passed the Protecting Older Workers Against Discrimination Act ([H.R. 2062](#)), the Equal Access to Contraception for Veterans Act ([H.R. 239](#)), and the LGBTQ Business Equal Credit Enforcement and Investment Act ([H.R. 1443](#)). The House also passed Congressional Review Act resolutions to overturn an Environmental Protection Agency regulation regarding methane emissions ([S.J.Res. 14](#)), an Equal Employment Opportunity Commission regulation regarding conciliation procedures ([S.J. Res 13](#)), and the Office of the Comptroller of the Currency’s “True Lender” rule ([S.J.Res 15](#)).

Next Week In Congress

Senate – The Senate will be in recess and meet in pro forma session. The Senate is scheduled to reconvene on July 12.

House – The House is expected to vote on the INVEST in America Act ([H.R. 3684](#)), a package of surface transportation, wastewater, and drinking water infrastructure measures. The House is also expected to vote on the Inspector General Independence and Empowerment Act ([H.R. 2662](#)).

TAX**President Biden and Bipartisan Group of Senators Reach Infrastructure Deal**

On Thursday afternoon it was announced that the Biden Administration and a bipartisan group of 21 Senators, including 10 Democrats and 11 Republicans, had reached a [deal](#) on infrastructure investment. President Biden announced the deal from the White House. The plan itself includes \$579 billion in new spending to “investments in clean transportation infrastructure, clean water infrastructure, universal broadband infrastructure, clean power infrastructure, remediation of legacy pollution, and resilience to the changing climate.” The new spending plus the underlying baseline amount normally spent on infrastructure totals \$973 billion over five years, and \$1.2 trillion over eight years.

According to the Fact Sheet released by the White House, “[t]he Framework, which will generate significant economic benefits and returns, is financed through a combination of closing the tax gap, redirecting unspent emergency relief funds, targeted corporate user fees, and the macroeconomic impact of infrastructure investment.”

The outline specifically includes the following listed as “proposed financing sources” but it is important to note that some of these proposed revenue sources are actually revenue proposals which cost revenue, such as private activity and direct pay bonds. This may indicate the final legislative proposal may include some incentives for infrastructure. We have added some additional explanations where reports suggested more information.

- Reduce the IRS tax gap – Adding \$40 bill to IRS budget which generates \$100 billion in new revenue
- Unemployment insurance program integrity
- Redirect unused unemployment insurance relief funds – Recycle unused unemployment insurance funds which resulted from states ending the additional \$300 a week federal increase in UI benefits early.
- Repurpose unused relief funds from 2020 emergency relief legislation – Repurpose \$125 billion from past COVID-19 relief legislation
- State and local investment in broadband infrastructure
- Allow states to sell or purchase unused toll credits for infrastructure
- Extend expiring customs user fees – These fees apply to imports. Notably an increase in the gas tax was not included in the legislation.
- Reinstate Superfund fees for chemicals – The proposal would also impose a fee on chemicals.
- 5G spectrum auction proceeds
- Extend mandatory sequester
- Strategic petroleum reserve sale

- Public private partnerships, private activity bonds, direct pay bonds and asset recycling for infrastructure investment – The proposal also allows for the selling or special municipal bonds by states to finance pieces of the proposal.
- Macroeconomic impact of infrastructure investment – Spending measures are also offset by a robust estimate that this plan will create \$58 billion in offsetting economic growth.

During a press conference after the announcement of the proposal, President Biden indicated he would not sign a bill if it did not have the support of all 21 Senators involved in drafting it. However later Thursday evening it was announced by Bloomberg that all 21 Senators support the proposal including all 11 Republicans. The proposal comes after months of rounds of negotiations between the Biden administration and the bipartisan group of Senators. Additional specificity around the legislative language of the proposal should be released in the coming weeks. This announcement is significant, but there are many steps to take to turn it into a real bill that passes the Congress.

In Congress, Democratic Leadership reacted to the announcement suggesting they would tie action on the bipartisan infrastructure bill to a budget reconciliation package, with Speaker Pelosi suggesting the House would not act unless the Senate cleared a budget reconciliation package. Whether the two packages are absolutely tied, or steps are taken to move a budget resolution in conjunction with any bipartisan infrastructure plan, remains to be seen. Democrats have made it clear they will not abandon the family policies and tax increases to pay for them, and a budget reconciliation package with those policies is very much expected this fall. At a press conference, President Biden suggested he supports Pelosi's plan to tie the bipartisan infrastructure package to a budget resolution, suggesting "if this is the only thing that comes to me, I'm not signing it." Additional clarity on the process for moving forward is expected to emerge over the coming weeks.

Upcoming Hearings and Events

June 29

Higher Education: On Tuesday, June 29, 2021 at 2:00PM EST the House Ways and Means Committee's Subcommittee on Oversight will hold a [hearing](#) entitled: "Expanding Access to Higher Education and the Promise it Holds." The witness list for this hearing has yet to be announced.

For more information about tax issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Josh Hansma contributed to this section.

FINANCIAL SERVICES**SEC Chairman Gensler Discusses the SEC's Agenda, Including Public Company Disclosure and Market Structure***Key Points:*

- *Chairman Gensler noted that he has directed SEC to craft recommendations for mandatory disclosures regarding climate risk and human capital.*
- *Gensler also discussed potential rule changes related to payment for order flow.*

On June 23, Securities and Exchange Commission (SEC) Chairman Gary Gensler gave [remarks](#) at London City Week. Gensler provided an overview of the SEC's upcoming agenda, with a focus on three areas: (1) public company disclosure; (2) market structure; and (3) transparency.

Gensler noted that he has directed SEC to put together recommendations for mandatory disclosures on climate risk and human capital. In regards to climate risk, he stated:

I've asked staff for recommendations for our consideration around governance, strategy, and risk management related to climate risk. In addition, staff are looking into a range of specific metrics, such as greenhouse gas emissions, to determine which are most relevant to investors in our markets.

Further, I've asked staff to consider potential requirements for companies that have made forward-looking climate commitments, or that have significant operations in jurisdictions with national requirements to achieve specific, climate-related targets.

Regarding human capital, Gensler stated that this effort "builds on past agency work and could include a number of metrics, such as workforce turnover, skills and development training, compensation, benefits, workforce demographics including diversity, and health and safety."

Gensler explained that he has directed SEC staff to examine how changing technologies and business models have affected the equity and bond markets. In particular, he noted that he has called for an examination into payment for order flow (PFOF) and whether it conflicts with best execution obligations. He stated that he has also directed staff to consider how to enhance the transparency and resilience of the securities markets.

Gensler also discussed bringing more transparency and resiliency to the U.S. Treasury market. He noted that he has asked SEC staff to work closely with the Treasury Department, Federal Reserve, and the Commodity Futures Trading Commission (CFTC) "to determine whether we can bring greater transparency and resiliency to these markets." He also asked SEC staff "to consider the potential benefits of central clearing in the Treasury cash and repo markets."

In his discussion of transparency, Gensler noted that he has directed staff to consider whether regulatory updates are needed to enhance transparency around: (1) beneficial ownership; (2) security-based swaps; (3) short selling; and (4) stock buybacks.

House Financial Services Committee Approves Four Bills

Key Point:

- *The Committee approved legislation regarding minority business development, large bank supervision, credit union liquidity facilities, and municipal identification.*

On June 23, the House Financial Services Committee held a [markup](#) and approved four bills:

- The Minority Business Resiliency Act ([H.R. 2689](#)), introduced by Representative Al Green (D-TX), which would supersede Executive Order 11625, which created the original Minority Business Development Agency (MBDA), and codifies the agency into law to promote and administer programs to assist the development and resiliency of minority business enterprises (MBEs). The Committee favorably reported the bill, as amended, by a vote of 28-23.
- The Greater Supervision in Banking (G-SIB) Act ([H.R. 3948](#)), introduced by Representative Ayanna Pressley (D-MA), which requires U.S. global systemically important bank holding companies (G-SIBs) to present detailed annual reports to the Board of Governors of the Federal Reserve System. The reports must describe details about the G-SIBs' size and complexity, enforcement actions taken against the G-SIB over the past year, executive and average worker compensation, support for MDIs and CDFIs, steps being taken to reach climate emissions reduction targets, diversity of the GSIBs' board, and more. The Committee favorably reported the bill, as amended, by a vote of 28-22.
- The Central Liquidity Facility Enhancement Act ([H.R. 3958](#)), introduced by Chairwoman Maxine Waters (D-CA), which would permanently extend enhancements for the National Credit Union Administration's (NCUA) Central Liquidity Facility (CLF) made in the CARES Act. The bill would also require a GAO study to analyze the impact of the enhancements. The Committee favorably reported the bill, as amended, by a vote of 28-22.
- The Municipal I.D.'s Acceptance Act ([H.R. 3968](#)), introduced by Representative Ritchie Torres (D-NY), which would direct the federal financial regulators and the Financial Crime Enforcement Network (FinCEN) to update the guidance on the Customer Identification Program (CIP) to clarify that banks may incorporate municipal-issued identification (ID) into the financial institution's risk-based approach. The Committee favorably reported the bill, as amended, by a vote of 27-23.

Senate Banking Committee Holds Hearing on Treasury Department Nominations

Key Point:

- *The Committee considered the nominations Brian Nelson to be Under Secretary for Terrorism and Financial Crimes, and Elizabeth Rosenberg to be Assistant Secretary for Terrorist Financing.*

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The Senate Banking Committee held a [hearing](#) on the following nominations:

- Mr. Brian Eddie Nelson to be Under Secretary for Terrorism and Financial Crimes, Department of the Treasury
- Ms. Elizabeth Rosenberg to be Assistant Secretary for Terrorist Financing, Department of the Treasury

Chairman Sherrod Brown (D-OH), in a [statement](#), expressed support for both nominees. Brown stressed the importance of combating terrorism financing both domestically and internationally. He commended the experience of both nominees and said he hopes to move their nominations quickly through the Committee.

In his [remarks](#), Ranking Member Pat Toomey (R-PA) urged the nominees, if confirmed, to “push back on the White House or the State Department if they try to advance policies that actually undermine America's national security.” Toomey criticized the Biden Administration’s policies towards Iran and expressed opposition to rejoining the Joint Comprehensive Plan of Action (JCPOA) and lifting sanctions on Iranian officials.

House Appropriations Subcommittee Approves Financial Services and General Government Funding Bill

Key Points:

- *The bill would provide a total of \$29.1 billion, including \$15.4 billion for the Treasury Department and \$2 billion for the SEC.*

On June 23, the House Appropriations Committee’s Financial Services and General Government (FSGG) Subcommittee held a markup and approved its [Fiscal Year \(FY\) 2022 funding bill](#). The Subcommittee approved the bill by voice vote.

The bill would provide a total of \$29.1 billion in discretionary funding, which is an increase of \$4.8 billion from FY2021. The bill would fund the SEC at \$2 billion for FY2022, an increase of \$73.5 million from FY2011. The Treasury Department would receive \$15.4 billion in discretionary funding, an increase of \$1.9 billion from FY2021.

The full Committee is scheduled to hold its markup of the FSGG funding bill on June 29.

President Biden Removes Mark Calabria as FHFA Director Following Supreme Court Ruling

Key Points:

- *The Supreme Court ruled that the structure of the FHFA was unconstitutional. The ruling allows the President to remove the director at will.*
- *President Biden removed FHFA Director Mark Calabria following the ruling.*

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On Wednesday, the Supreme Court ruled that the structure of the Federal Housing Finance Agency (FHFA) was unconstitutional, as it prevents the President from removing the director for reasons other than neglect or misconduct. Under the ruling, the President is now able to remove the director at will. The ruling echoes the outcome of a previous case regarding the structure of the Consumer Financial Protection Bureau (CFPB).

The Supreme Court declined to fully dismantle the FHFA as requested in the suit brought by Fannie Mae and Freddie Mac shareholders. The Court ruled against the shareholders' claim that the FHFA exceeded its authority as a conservator.

Following the ruling, President Biden removed FHFA Director Mark Calabria and appointed Sandra Thompson as Acting Director. Thompson has served as Deputy Director of the Division of Housing Mission and Goals since 2013.

Upcoming Hearings and Meetings

June 29

Credit Reporting: The House Financial Services Committee will hold a hearing entitled, "A Biased, Broken System: Examining Proposals to Overhaul Credit Reporting to Achieve Equity."

Racial Justice: The House Financial Services Committee's Subcommittee on Diversity and Inclusion will hold a hearing entitled, "The Legacy of George Floyd: An Examination of Financial Services Industry Commitments to Economic and Racial Justice."

Appropriations: The House Appropriations Committee will hold a markup of its Fiscal Year 2022 Financial Services and General Government funding bill.

June 30

Cryptocurrency: The House Financial Services Committee's Subcommittee on Oversight and Investigations will hold a hearing entitled, "America on 'FIRE': Will the Crypto Frenzy Lead to Financial Independence and Early Retirement or Financial Ruin?"

Climate Risk: The House Financial Services Committee's Subcommittee on Consumer Protection and Financial Institutions will hold a hearing entitled, "Addressing Climate as a Systemic Risk: The Need to Build Resilience within Our Banking and Financial System."

June 7

Asset Management Advisory Committee: The Securities and Exchange Commission (SEC) will hold a meeting of its Asset Management Advisory Committee.

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

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HEALTH**Cures 2.0 Draft Released***Key Points:*

- *Representatives Diana DeGette (D-CO) and Fred Upton (R-MI) released draft text for Cures 2.0.*
- *The legislation would create the Advanced Research Projects Agency for Health announced in President Biden's budget request as well as improve Medicare coverage of innovative technologies, expand the use of real-world evidence in treatment development, and provide training and educational programs for caregivers.*

On June 22, Representatives Diana DeGette (D-CO) and Fred Upton (R-MI) announced the release of draft text of 21st Century Cures 2.0, which is intended to further modernize the delivery of innovative new treatments and cures. The bill builds on DeGette and Upton's 21st Century Cures Act passed in 2015 which focused on how new treatments and cures are developed. Cures 2.0 focuses on the delivery of those developments to patients.

President Joe Biden's FY 2022 budget request included the creation of a new Advanced Research Projects Agency for Health (ARPA-H) within the National Institutes of Health. It would be run by a group of program managers who would choose which projects to fund. The President's budget requested \$6.5 billion to fund ARPA-H.

In addition, the draft legislation includes provisions to advance public health by investing in research into the implications of long COVID; improving the response to future pandemics; improve vaccine education; and investing in antimicrobial innovations. The bill also includes provisions to provide additional resources for caregivers to learn skills to augment the work of a care team and improving patient literacy. The bill would also require studies on increasing diversity in clinical trials including a public awareness campaign. The bill seeks to improve access to therapies by improving collaboration between the Food and Drug Administration and the Centers for Medicare and Medicaid Services. Many of the provisions included in the draft text come from bipartisan legislation.

Read the draft text [here](#) and a section-by-section summary [here](#).

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

ENERGY & ENVIRONMENT**House Passes Resolution to Revoke Trump Administration Methane Rule***Key Point:*

- *Before recessing for the week, the House voted largely along party lines to approve a Congressional Review Act resolution repealing the Trump Administration’s rescission of Obama Administration regulations limiting methane emissions from the oil and natural gas sector.*

On Friday, the House of Representatives, by a [217-191 vote](#), passed a resolution “Providing for congressional disapproval...of the rule submitted by the Environmental Protection Agency relating to ‘Oil and Natural Gas Sector: Emission Standards for New, Reconstructed, and Modified Sources Review’” ([S.J.Res. 14](#)). The resolution, when signed into law, will repeal the [final rule](#), which the Environmental Protection Agency (EPA) published on September 14, 2020. The Trump Administration final rule would “remove sources in the transmission and storage segment from the source category, rescind the [New Source Performance Standards] NSPS (including both the volatile organic compounds (VOC) and methane requirements) applicable to those sources, and separately rescind[] the methane-specific requirements of the NSPS applicable to sources in the production and processing segments[s and]...adopt[] an interpretation of Clean Air Act (CAA) section 111 under which the EPA, as a predicate to promulgating NSPS for certain air pollutants, must determine that the pertinent pollutant causes or contributes significantly to dangerous air pollution.” Repeal of the Trump Administration rulemaking restores the previously promulgated methane emissions standards established by the Obama Administration.

House Approves Legislation to Assist States with Energy Security Plans*Key Point:*

- *On June 22, the House of Representatives passed legislation to provide annual grants to states to develop plans addressing threats to energy infrastructure.*

On Tuesday, the House [voted 398-21](#) to approve the “Enhancing State Energy Security Planning and Emergency Preparedness Act of 2021” ([H.R. 1374](#)). The legislation would authorize \$90 million in annual grants to states “for the implementation, review, and revision of a State energy security plan that assesses the State’s existing circumstances and proposes methods to strengthen the ability of the State, in consultation with owners and operators of energy infrastructure in such State, to—(1) secure the energy infrastructure of the State against all physical and cybersecurity threats; (2) mitigate the risk of energy supply disruptions to the State and enhance the response to, and recovery from, energy disruptions; and (3) ensure the State has a reliable, secure, and resilient energy infrastructure.” State energy security plans are required to address “all fuels, including petroleum products, other liquid fuels, coal, electricity, and natural gas, as well as regulated and unregulated energy providers...” In developing plans, States are required, “to the extent practicable”, to coordinate with “energy providers from the private sector”.

Senate Committee Hearing on Draft Energy Infrastructure Bill

Key Points:

- *The Senate Energy and Natural Resources Committee heard testimony from federal agencies on energy infrastructure issues.*
- *A focus of the hearing was Chairman Manchin's recently released draft bill, the "Energy Infrastructure Act".*

On June 24, the Senate Energy and Natural Resources Committee held a [hearing](#) to "Examine Infrastructure Needs of the Energy Sector, Western Water, and Public Lands." The Committee considered Chairman Joe Manchin's (D-WV) draft bill, the "[Energy Infrastructure Act](#)".

In his [opening statement](#), Chairman Manchin declared that reinvesting in infrastructure can also strengthen the economy, create jobs, boost U.S. competitiveness, and help address climate change. He stated the "Energy Infrastructure Act" invests in demonstration and pilot projects for advanced nuclear, carbon capture and direct air capture, renewables, energy storage, and industrial emissions solutions. He said the draft bill tackles climate change by investing in cost saving innovations such as energy efficiency and reducing energy use in residential, commercial, and industrial buildings. He observed that the bill builds on and complements the "Energy Act of 2020" by investing in the CO2 infrastructure that will be needed to make carbon capture utilization and storage (CCUS) and direct air capture a reality. Manchin also highlighted investments in technologies that have low or no emissions, including supporting the existing zero-emission nuclear fleet and advancing hydrogen technologies that can significantly decarbonize all sectors without relying on foreign supply chains. Manchin stated the legislation would invest heavily in the electric grid to be reliable and resilient during extreme weather events, wildlife, and cyberattacks. He also described targeted investments to restore the health of forests, mitigate wildfires, invest in legacy cleanup efforts addressing abandoned energy infrastructure, plugging orphan oil and gas wells, and reclaiming abandoned mine lands. He expressed support for complementing funding with an extension of the Abandoned Mine Land (AML) Reclamation fee that is set to expire in September. He emphasized that inaction is not an option.

In his [opening statement](#), Ranking Member John Barrasso (R-WY) thanked Manchin for committing to bipartisan infrastructure legislation. He expressed support for advanced nuclear, CCUS, and water infrastructure in the West. He noted that he and other Republicans were not consulted in drafting the legislation, however, he stated he is ready to work. He expressed concern that the Committee is supposed to authorize programs, not appropriate funds. He stated the legislation appears to include \$5 billion for a program he characterized as a "California bailout". He asserted the bill uses the Department of Energy (DOE) to coerce states to adopt building codes restricting the use of natural gas. He said he opposes spending \$500 million for schools to create outdoor gardens and install green roofs. He observed the legislation authorizes more than Congress has appropriated for weatherization assistance and includes a twenty-fold increase for an energy efficiency program. He expressed concern that the bill does not include permitting reform or funding offsets.

In her [testimony](#), Kathleen Hogan, Acting Undersecretary for Science and Energy, U.S. Department of Energy (DOE), told the Committee that affordable, clean, reliable, and secure energy is essential for the economy. She observed that the DOE has set goals to cut solar costs, add gigawatts of offshore wind capacity, and reduce the cost of clean hydrogen. She stated DOE and other agencies have identified nearly \$38 billion in existing federal resources to help the hardest hit communities transition from fossil fuels and is leading an interagency working group to assist coal communities. She recalled President Biden's American Jobs Plan recognizes the urgency to act on both infrastructure and the climate crisis. She noted the bill provides funding for key research and demonstration products. Hogan expressed support for the following additions to the legislation: larger and more flexible state, local, and tribal grants; more investment in the supply chain; funding to transition existing manufacturing workers; energy transition assistance for the DOE to help states; additional scope for the DOE's loan program; and a clean energy standard (CES). She emphasized the need for a generational investment to capitalize on the opportunity for the U.S. to be a leader on energy.

Upcoming Hearings and Meetings

June 29

Electric Grid: The House Energy and Commerce Committee's Energy Subcommittee will hold a [hearing](#) titled "The CLEAN Future Act and Electric Transmission: Delivering Clean Power to the People". The hearing will consider the following legislation: (1) the "Climate Leadership and Environmental Action for our Nation's (CLEAN) Future Act" ([H.R. 1512](#)); (2) the "Prevent Outages with Energy Resiliency Options Nationwide Act" ([H.R. 1514](#)); (3) the "Interregional Transmission Planning Improvement Act of 2021" ([H.R. 2678](#)); and (4) the "Efficient Grid Interconnection Act of 2021" ([H.R. 4027](#)).

June 30

Latin America Energy Forum: The Latin America Energy Forum will convene to discuss "the needs of Latin America's evolving energy sector, exploring the evolution of the region's energy mix and the role of gas in supporting the increased use of nonconventional renewables." The [forum](#) will provide an opportunity for government and corporate leaders "to explore US-Latin America energy relations and opportunities for investment behind government strategies in the region."

July 14-15

Department of Defense Energy: DSI Group will host the [DoD Energy & Power Summit](#). The event will address issues including "Synchronizing DoD operational energy needs with current operations and world-wide missions, Developing a Robust Army Energy Infrastructure to Enable Total Force Readiness, Equipping the Warfighter with Resilient Capabilities to Reduce Sustainment Demand."

July 28

DOE 2021 Tribal Energy Electric Vehicles Webinar Series: The Department of Energy (DOE) will host a [webinar](#) series on Electric Vehicles: Opportunities and Challenges. The webinar series will examine

the “need to develop new infrastructure to support this major shift in how we fuel our cars and trucks...[and] opportunities and challenges that come with the transition to electric vehicles, as well as ways that communities can support and accelerate this change”.

August 25

DOE 2021 Tribal Energy Tribal Solar Development Webinar Series: The Department of Energy (DOE) will host a [webinar](#) series to “address regulatory challenges to tribal solar deployment”. The series’ “initiative is to articulate key barriers to tribal solar and solar-plus-storage adoption at all scales and to ready stakeholders to implement options to address these challenges”.

September 10

FERC Electric Transmission Incentives Workshop: The Federal Energy Regulatory Commission (FERC) will convene a [workshop](#) to “discuss certain performance-based ratemaking approaches, particularly shared savings, that may foster deployment of transmission technologies.”

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

TRADE

EU Offers TRIPS Waiver Alternative

Key Points:

- *The European Union (EU) has proposed an alternative to the TRIPS waiver which would facilitate and streamline the use of compulsory licensing.*
- *The EU proposal states that the COVID-19 pandemic constitutes a “national emergency” allowing countries to bypass a requirement to seek authorization from rights holders, allows remuneration to be the price charged by manufacturers, and permits exporting countries to notify the members they are exporting to in one notification.*

The European Union (EU) has proposed an alternative to the TRIPS waiver which would facilitate and streamline the use of compulsory licensing. The EU proposal states that the COVID-19 pandemic constitutes a “national emergency” allowing countries to bypass a requirement to seek authorization from rights holders. The proposal also allows remuneration to be the price charged by manufacturers, and permits exporting countries to notify the members they are exporting to in one notification.

A compulsory license is allowed under the TRIPS Agreement only if a government has “made efforts to obtain authorization from the right holder on reasonable commercial terms and conditions.” Countries can forgo this obligation in the event of a “national emergency” or “other circumstances of extreme urgency.” At a meeting of the TRIPS council on Thursday, the EU argued that the proposal would

increase vaccine production while protecting intellectual property (IP) rights. The next TRIPS Council meeting will take place on June 30.

U.S., Taiwan to Resume TIFA Discussions

Key Points:

- *The U.S. and Taiwan will resume talks under the Trade and Investment Framework Agreement (TIFA) on June 30.*
- *Discussions will likely focus on unresolved trade issues, supply chain security, digital trade, carbon emissions, and labor rights and welfare.*

The U.S. and Taiwan will resume talks under the Trade and Investment Framework Agreement (TIFA) on June 30. Discussions were paused under the Trump Administration, with the last set of talks being held under the Obama Administration in 2016. According to Taiwanese Minister-Without-Portfolio John Deng, discussions will likely revolve around unresolved trade issues, supply chain security, digital trade, carbon emissions, and labor rights and welfare. The U.S. does not recognize Taiwan as a sovereign nation but maintains unofficial relations through the American Institute in Taiwan.

Mexico Agrees to Review USMCA Complaint Against Tridonex

The Mexican Economy Ministry announced that it would review a U.S. complaint under the U.S.-Mexico-Canada Agreement (USMCA) against Tridonex, an auto parts manufacturer. The complaint against Tridonex was filed by the AFL-CIO for allegedly denying workers freedom of association and collective bargaining rights. The Mexican government's findings must be shared with the U.S. by July 24, based on the timelines set by USMCA's dispute settlement chapter. This could be a significant test and model of the labor complaint processes created in the USMCA.

For more information about trade issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Ryan Sigmon contributed to this section.

This Week in Congress was written by Alex Barcham.