

***CED Public Policy Watch
Weekly News Round-up
January 13, 2023***

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1. DEVELOPMENTS ON UKRAINE

Military developments: Fighting centered on the town of Soledar near Bakhmut, where fighting has occurred for several weeks involving Russian forces and mercenaries from the Wagner Group connected with oligarch Yevgeny Prigozhin. (A new estimate [suggested](#) that Wagner Group may account for up to a quarter of Russian forces at the front.) President Zelensky [said](#) of the Soledar fighting that "[t]his is what madness looks like. Everything is completely destroyed. There is almost no life." Ukraine [charged](#) that Russia violated its cease-fire for Orthodox Christmas celebrations 14 times in Luhansk alone, including an attack on a village Ukraine had liberated. The UK Ministry of Defence [said](#) fighting occurred at a "routine level" during the cease-fire. Russia [attacked](#) Kharkiv shortly after the departure of German Foreign Minister Annalena Baerbock from the city. More broadly, however, US officials [estimate](#) that Russian artillery fire in Ukraine has dropped up to 75 percent, perhaps showing Russian battlefield weaknesses. Russia replaced its commander in Ukraine, appointing General Valery Gerasimov, Chief of the General Staff of Russian Armed Forces, in place of General Sergei Surovikin, who will become Gerasimov's deputy. This is the Russia's third replacement of its commanding officer in Ukraine. A Russian naval vessel carrying hypersonic missiles carried out [military exercises](#) in the Norwegian Sea.

US training Ukrainian troops: Ukrainian troops will be [trained](#) at Fort Sill, Oklahoma, in the use of the Patriot missile defense system. The US [announced](#) a package of \$3.75 billion in military aid, including Bradley Fighting Vehicles. One Western defense official [stated](#) that Ukraine would need supplies of tanks and armored vehicles to retake additional territory in eastern and southern Ukraine. Poland will [send](#) German-made Leopard 2 tanks to Ukraine; Germany announced it will not object to the transfer. Canada will [purchase](#) a US air defense system for transfer to Ukraine.

Political developments: NATO and the EU signed a [joint declaration pledging](#) deeper cooperation. This will include a task force on protection of critical infrastructure including energy, transportation, and digital infrastructure, identifying key strategic vulnerabilities after what NATO Secretary General Jens Stoltenberg [termed](#) Russia's "weaponization of energy." Nikolai Patrushev, secretary of Russia's Security Council, spoke to the Russian newspaper *Argumenti i Fakti*, [describing](#) "the events in Ukraine" as "not a clash between Moscow and Kyiv. This is a military confrontation between Russia and NATO, and above all the United States and Britain." President Putin [acknowledged](#) that the situation in the four regions it had annexed was "difficult in places." Swedish Foreign Minister Tobias Billstrom, speaking at the beginning of the Swedish presidency of the EU, [stated](#) the bloc is "prepared for a long war" and will continue to support Ukraine for "as long as it takes."

Rice/Gates article: Former Secretary of State Condoleezza Rice and former Secretary of Defense Bob Gates [wrote](#) in the *Washington Post* that "[u]nder current circumstances, any negotiated cease-fire would leave Russian forces in a strong position to resume their invasion whenever they are ready. That is unacceptable." They believe "[t]he only way to avoid [this is] to urgently provide Ukraine with a dramatic increase in military supplies and capability — sufficient to deter a renewed Russian offensive and to enable Ukraine to push back Russian forces in the east and south," particularly mobile armor. Rice and Gates argue that "unprovoked aggression and attacks on the rule of law and the international order cannot be ignored. . . . It is better to stop [Putin] now, before more is demanded of the United States and NATO as a whole. We have a determined partner in Ukraine that is willing to bear the consequences of war so that we do not have to do so ourselves in the future. The way to avoid confrontation with Russia in the future is to help Ukraine push back the invader now. That is the lesson of history that should guide us, and it lends urgency to the actions that must be taken [.]"

Russia/Belarus: The countries [expanded](#) joint military training, with reports suggesting that 1400-1600 additional Russian troops entered Belarus; Oleg Salyukov, the commander of Russian ground forces, [visited](#) Belarus to inspect the joint force. Ukraine is concerned that Russia may seek to launch another attack on Kyiv from Belarus as it did last February, whether or not Belarusian troops join the war. Ukraine claims that drones and missiles are still being launched from Belarus. President Zelensky [said](#) that Ukraine must "be ready" for attacks although it had only seen "powerful statements" to date.

World Economic Forum report: The World Economic Forum launched its [Global Risks Report](#) prior to next week's meeting in Davos, Switzerland, warning that high food and energy prices could continue for two years, with negative effects on global poverty and climate change and further risks of recession and debt crises as well as "polarised societies enabled by disinformation and misinformation; a hiatus on rapid climate action; and zero-sum geo-economic warfare." The report called for "[c]oncerted, collective action" at a global level "before risks reach a tipping point," particularly for climate.

Russian hacking in US: The "Cold River" Russian hacking team [reportedly](#) targeted three US nuclear research laboratories (Brookhaven, Argonne, and Lawrence Livermore National Laboratories).

Seizure of Russian assets: Reuters [reported](#) that an internal EU document shows that Member States of the EU have frozen €20.3 billion of Russian assets subject to European sanctions; eight countries reported freezing over €1 billion in assets each. Greece and Malta lagged far behind, seizing only assets worth €212,000 and €147,000 respectively, which one EU official described as "a bit surprising."

2. INFLATION EASES IN DECEMBER

The Consumer Price Index [slowed](#) to 6.5 percent year-over-year in December, down from a 7.1 percent increase in November. Month-over-month, headline CPI decreased 0.1 percent. Core CPI, which excludes volatile food and energy prices, increased 0.3 percent, for a 5.7 percent year-over-year increase. Similar to November, a low headline figure was attributable primarily to a 4.5 percent decline in energy prices, including a 9.4 percent fall in retail gasoline prices. Also declining substantially (2.5 percent) were used cars and trucks, which had seen high inflation in 2021 and early 2022. However, some sectors saw increases: food rose 0.3 percent and shelter 0.8 percent. The 0.3 percent month-over-month increase in core CPI inflation is slightly above the Federal Reserve's inflation target, which is 2.0 percent annual inflation in the core Personal Consumption Expenditures index. The Conference Board's most recent [forecast](#), published Tuesday, projects inflation peaked in Q2 2022 and is moderating back towards the Fed's target, which will be reached in year-over-year terms by the fourth quarter of 2024.

3. POWELL REMARKS ON CENTRAL BANK INDEPENDENCE AND CLIMATE CHANGE

Federal Reserve Chair Jerome Powell [spoke](#) Tuesday at the Symposium on Central Bank Independence at the Sveriges Riksbank in Stockholm. Powell stated that public policy decisions should generally be made by elected officials, but the benefits of "insulating monetary policy from short-term political considerations" are "well understood and broadly accepted," noting also the Fed has "the responsibility to provide the transparency that enables effective oversight by Congress, which, in turn, supports the Fed's democratic legitimacy. At the Fed, we treat this as an active, not passive, responsibility, and over the past several decades we have steadily broadened our efforts to provide meaningful transparency about the basis for, and consequences of, the decisions we make in service to the American public."

Powell also addressed calls for the Fed to become more involved in climate change. He took a nuanced view, stating that the Federal Reserve should "stick to [its] knitting" but reaffirming that "in my view, the Fed does have narrow, but important, responsibilities regarding climate-related financial risks . . . tightly linked to our responsibilities for bank supervision. Powell argued that "the public reasonably expects supervisors to require that banks understand, and appropriately manage, their material risks, including the financial risks of climate change." However, Powell concluded that "without explicit congressional legislation, it would be inappropriate for us to use our monetary policy or supervisory tools to promote a greener economy or to achieve other climate-based goals."

4. UNEMPLOYMENT FALLS SLIGHTLY TO 3.5 PERCENT

The Bureau of Labor Statistics' [Employment Situation](#) report for December saw nonfarm payroll increase by 223,000 jobs, the lowest number since December 2020, even as the unemployment rate fell slightly to 3.5 percent, its lowest mark since 2019, with the number of unemployed workers falling to 5.7 million. December was the best month of labor force re-entry since August with 439,000 workers added. Job gains were heavily tilted towards healthcare and social assistance (+74,000) and leisure and hospitality (+67,000), as well as construction (+28,000). But signals of softening are emerging, with temporary-help employment falling for the fifth consecutive month (-35,000), which is typically an early downturn indicator as temporary workers are often the first to be fired. Wage growth also appeared to moderate in December, to 3.4 percent at an annual rate; however, consecutive large revisions both upward and downward to wage data in October and November add to the mixed economic signals. The next report on wages comes on January 31 with the [Employment Cost Index](#). BLS also reported that the

labor force participation rate was “little changed” at 62.3 percent, 1.0 percent below the February 2022 measure just prior to the pandemic-related shutdowns.

5. INITIAL UNEMPLOYMENT CLAIMS DECLINE

The Department of Labor [reported](#) Thursday that initial claims for unemployment insurance, a weekly indicator of labor market health, were 205,000 for the week ending January 7, a decrease of 1,000 from the previous week’s revised level of 206,000, following upward revisions of 2,000. The 4-week moving average was 212,500. This level of claims is low or moderate by historical standards, below the July highs of 261,000, and reflects continued labor market strength even as some leading economic indicators tip into negative territory. The [latest economic forecast](#) from The Conference Board shows the unemployment rate rising to 4.5 percent by the fourth quarter of 2023.

6. NEW RULES FOR US HOUSE OF REPRESENTATIVES; NEW CHAIR OF WAYS AND MEANS

Following Kevin McCarthy’s election as Speaker on the 15th ballot, the House of Representatives turned to adopting a [rules package](#) for the new Congress. The rules contain some significant changes both in House procedure and for the substance of important policy issues. It will now take only one member, rather than a decision by party leaders, to propose a motion to “vacate the chair,” putting McCarthy’s position at Speaker at potential risk at any time. Additional changes, some not in the package itself but in a [reported unpublished](#) “three-page addendum,” include adding members of the Freedom Caucus to the Rules and Appropriations Committees and a vote on congressional term limits.

The rules package could have a direct impact on negotiations to raise the [debt ceiling](#) which will have to be addressed this year. The old “Gephardt rule” prohibiting a direct vote on raising the debt ceiling was abolished, making a vote to raise it more politically challenging. The package also [includes](#) a “cut-as-you-go” (cutgo) rule, requiring that new spending be paid for only with tax cuts, unlike the “paygo” rule which permitted new revenues to pay for new spending. However, cutgo will not apply to spending designated as “emergency” spending (for instance, disaster relief after major weather events). Additionally, a rule would [permit](#) “amendments to appropriations legislation that would reduce the salary of or fire specific federal employees, or cut a specific program.”

Jason Smith (R-MO) was elected Chairman of the House Committee on Ways and Means, with authority over taxes and health care, beating out two veteran members of the Committee. Smith, who called himself a “[firebrand](#)” but “reflective of our party,” [described](#) Republicans as “the working-class party” and noted his priorities included a 20 percent deduction for owners of “pass-through” businesses to help small businesses and also a larger child tax credit (a potential point of agreement with Democrats) as [part](#) of an [effort](#) on “financial and health care security for families.” On spending, he [said](#) “the American people expect Congress to use every tool in the toolbox to drive down this crazy spending that has led to the highest inflation in 40 years”; he also promised oversight of tax provisions benefiting “woke corporations” and a focus on medical supply chains.

7. DHS PAROLE PROGRAM FOR MIGRANTS FROM FOUR LATIN AMERICAN COUNTRIES

As the President [visited](#) the southern border, the Administration [announced](#) a shift in immigration policy, granting humanitarian parole to 30,000 migrants per month from each of Venezuela, Cuba, Haiti, and Nicaragua. This expands a [similar initiative](#) launched in October that applied only to Venezuela, which [US Customs and Border Protection](#) figures show has decreased illegal crossings by 76 percent.

Arrivals from each of the four nations have rapidly expanded over the past year. The effort also bolsters enforcement for migrants crossing the border outside a legitimate port of entry, adding resources and personnel and increasing the use of expedited removal. Qualifying nationals under the parole will be able to reside legally in the US for up to two years with permission to work. To qualify, individuals must have a financial sponsor, enter through a legitimate port of entry, and apply for the status before they arrive via an online app, pass a vetting process, and not have attempted an irregular crossing after January 5, 2023.

Separately, the Departments of Homeland Security (DHS) and Justice [announced their intention](#) to propose a new rule to enforce a rebuttable presumption of asylum ineligibility that will effectively require migrants seeking asylum to request protection first in another country through which they traveled on their way to the US. (The actual draft is not yet released but would presumably retain the rule that asylum seekers who come to the US directly would be able to make initial applications for asylum here). DHS said in a statement that these actions together show that “DHS is strengthening the availability of legal, orderly pathways to the United States while imposing consequences on those who fail to use pathways made available to them by the United States and its regional partners.”

8. SUPREME COURT SEEKS ADMINISTRATION POSITION ON WORKPLACE DISCRIMINATION CASES

The Supreme Court [asked](#) for Administration briefs on two cases on whether job actions less serious than a firing or demotion, such as a paid suspension or a lateral transfer, can form the basis of a discrimination suit. Federal appeals courts earlier found that the actions did not meet the definition of an “adverse employment action” under Title VII the Civil Rights Act of 1964, which requires a worker to show material harm or significant damage to employment status. The Justice Department is expected to support the workers’ claims, as in a [2020 brief](#) that urged the Eighth Circuit to hold that Title VII outlaws any discriminatory conduct. In 2021, the Eleventh Circuit [ruled](#) stating that Title VII did not apply to paid suspensions, joining similar rulings by other circuit courts. The Supreme Court is expected to decide the cases before its Term concludes in June.

9. US EMISSIONS AND MAJOR CLIMATE EVENTS IN 2022

The Rhodium Group released [estimates](#) showing US emissions grew by 1.3 percent in 2022 over 2021 as economic activity rebounded. However, emissions rose more slowly than economic growth, an encouraging sign, led by substitution of coal with natural gas -- a less carbon-intensive fuel -- and a rise in renewable energy production,” both reducing carbon intensity. Pointing to the incentives in last year’s Inflation Reduction Act, Kate Larsen of the Rhodium Group [commented](#) that “It feels like 2023 is set up for a year of much more significant emissions reductions that will only accelerate as the incentives kick in [.]”; she added that the “uncertainty is how quickly and efficiently the US government can move those credits and how quickly the clean energy industry can get shovels in the ground. Rather than just shutting down coal plants we need to build new things, which is a challenge.”

The National Oceanic and Atmospheric Administration (NOAA)’s [annual report](#) on weather and climate events with effects over \$1 billion found 18 separate events, including eleven severe storms (including tornadoes and a derecho), three hurricanes, flooding, the severe winter storm and cold in December, and drought in the West (including wildfires). These events cost over \$165 billion, the third highest figure since records began in 1980, and directly caused 474 deaths. Much of the figure resulted from Hurricane Ian, which cost \$112.9 billion. Alarming, the report found that over the past six years, there were only 18 days on average between billion-dollar disasters.

10. BLUEPRINT TO DECARBONIZE TRANSPORTATION SECTOR

The Departments of Energy, Transportation, and Housing and Urban Development and the Environmental Protection Agency jointly released a [blueprint](#) for decarbonization of the transportation sector, laying out three key strategies. The first is convenience, putting people closer to the places they need to go, so they don't need to travel as far, and facilitating online, walking, or biking options for daily activities, often related to practices in land use and community design. The second strategy is efficiency, using larger vehicles with more capacity, such as carpools, buses, or rail. The third is cleaner fuels, including battery electric vehicles, hydrogen fuel cell vehicles, and low-carbon sustainable liquid fuels. The blueprint notes that certain fuels will be better for some tasks and weaker for others (for instance batteries, which are heavy and limited in range, are better suited for light duty vehicles). A [press release](#) noted that the sector accounts for a third of all domestic greenhouse gas emissions.

11. GUIDANCE FOR FEDERAL AGENCIES ON ANALYZING CLIMATE CHANGE

The Council on Environmental Quality (CEQ) issued [interim guidance](#) to Federal agencies on how to analyze greenhouse gas (GHG) and climate change effects of proposed Federal decisions under the National Environmental Policy Act (NEPA) (including environmental impact assessments). At the same time, CEQ opened the guidance for public comment. The guidance, updating guidance from 2016, would apply to all Federal decisions subject to NEPA and notes that EPA seeks "to mitigate GHG emissions associated with their proposed actions to the greatest extent possible, consistent with national, science-based GHG reduction policies established to avoid the worst impacts of climate change."

The guidance requires agencies to consider both "the potential effects of a proposed action on climate change" and "the effects of climate change on a proposed action and its environmental impacts." Agencies will have to address climate change issues early in the planning process, "quantify a proposed action's projected GHG emissions or reductions for the expected lifetime of the action," and explicitly address proposals for mitigation and "reasonable alternatives." Agencies will also have to rely on the "best available information and science" and "best available social cost of GHG (SC-GHG) estimates" in preparing their analyses. Environmental justice will be a focus of the new guidance as well, "consistent with Executive Orders [12898](#) and [14008](#)." Comments on the proposal are due March 10.

12. SOOT (PARTICULATE MATTER) POLLUTION LEVELS

EPA has [reportedly](#) decided not to strengthen its daily exposure limit to soot, currently 35 micrograms per cubic meter. Earlier, EPA's Clean Air Scientific Advisory Committee had recommended a lower limit; an EPA report in 2019 had [recommended](#) drastically lowering the limit to 8-10 micrograms per cubic meter. EPA defines soot for this purpose as particles less than 2.5 micrometers in diameter; some pollution in this category comes from power plants and diesel engines.

13. PROPOSED RULE ON INCOME-DRIVEN STUDENT LOAN REPAYMENT

The Department of Education [proposed regulations](#) to provide student debt relief for approximately 40 million borrowers. Under the plan, individual borrowers making less than \$30,600 annually and borrowers in a family of four making less than \$63,400 would be offered zero monthly payments. For other borrowers, monthly payments for undergraduate loans would be cut in half. The proposed regulations would also address the impact of accumulated interest on student loan balances. According

to the National Center for Education Statistics, a million borrowers defaulted on their loans annually prior to the pandemic, and the regulations seek to reduce the monthly and lifetime student debt burden, especially for low and middle-income borrowers, community college students, and borrowers who work in public service. Under the plan, the Department estimates that future borrowers would see their total payments per dollar borrowed decrease by 40 percent, and 85 percent of community college borrowers would be debt-free within 10 years. The Department [states](#) that the changes “are estimated to have a net budget impact [cost] of \$137.9 billion across all loan cohorts through 2032.” Comments on the proposed rule are due by February 10, 2023.

14. PRESIDENT’S OPINION PIECE ON TECHNOLOGY COMPANIES

Stating that “[t]he risks Big Tech poses for ordinary Americans are clear,” the President published an [opinion piece](#) in the Wall Street Journal urging “Democrats and Republicans to come together to pass strong bipartisan legislation to hold Big Tech accountable.” The President wrote that he is “concerned about how some in the industry collect, share and exploit our most personal data, deepen extremism and polarization in our country, tilt our economy’s playing field, violate the civil rights of women and minorities, and even put our children at risk.” He outlined “three broad principles for reform”: first, “serious federal protections for Americans’ privacy,” including “clear limits on how companies can collect, use, and share highly personal data” as well as writing that “[m]uch of that data shouldn’t be collected in the first place,” proposing to “limit targeted advertising and ban it altogether for children.” Second, he proposed reform of Section 230 of the Communications Decency Act, to require “Big Tech companies to take responsibility for the content they spread and the algorithms they use” and called for greater transparency on algorithms, particularly in the areas of job searches and content to children. Third, the President stated that “we need to bring more competition back to the tech sector” to prevent companies from finding “ways to promote their own products while excluding or disadvantaging competitors [.]” Given strong interest among both Republicans and Democrats in some of these proposals in the last Congress, the President is highlighting this as a possible area for bipartisan cooperation in the newly divided Congress.

15. THE PRESIDENT VISITS MEXICO; “THREE AMIGOS” SUMMIT

The President [visited](#) Mexico, the first visit by a US President in nine years. Mexican President Andres Manuel López Obrador told the President that “[t]his is the moment for us to determine to do away with this abandonment, this disdain, and this forgetfulness for Latin America and the Caribbean [.]” López Obrador also focused on nearshoring supply chains now concentrated in Asia, saying “[w]e ask ourselves, couldn’t we produce in America what we consume? Of course.” The President noted that “unfortunately our responsibility just doesn’t end in the Western Hemisphere.” Another dispute concerned Mexico [banning](#) imports of genetically modified corn.

Following the bilateral meeting, the Presidents were joined by Canadian Prime Minister Justin Trudeau for the “Three Amigos” summit. The leaders adopted a [Declaration of North America](#) “to fortify our region’s security, prosperity, sustainability and inclusiveness through commitments across six pillars” -- diversity, equity, and inclusion; climate change and the environment; competitiveness; migration and development; health; and regional security. The leaders also “seek to forge stronger regional supply chains, as well as promote targeted investment, in key industries of the future such as semiconductors and electric vehicle batteries We will convene public-private dialogues and map out supply chains to address common challenges and opportunities,” with a focus on critical minerals and trilateral health cooperation. Strengthening supply chains was also a focus of the President’s [meeting](#) with Prime

Minister Trudeau “so that no one can arbitrarily hold us up or a pandemic in Asia cause us to not have access to critical elements that we need to do everything from build automobiles to so many other things,” in the President’s words.

In its Solutions Brief [*A Road Map to Achieving Free but Secure Trade with Resilient Supply Chains*](#), CED called for a “special Three Amigos postpandemic summit on supply chains, seeking ways to strengthen links and reduce barriers to trade” and proposed a “tri-national business council to advise the three governments on nearshoring opportunities and further steps for North American economic integration, focusing on regulatory and infrastructure solutions in all three countries, building new supply chain linkages where they do not exist and reinforcing and deepening them where they do.”

16. SOUTH KOREA NUCLEAR WEAPONS POLICY SHIFT

South Korean President Yoon Suk-yol [announced](#) a major shift in nuclear weapons policy, declaring that if the “problem” of North Korea’s nuclear weapons “gets worse,” the country could either build nuclear weapons or ask for redeployment of US weapons to South Korea. The President added that “we can have our own nuclear weapons pretty quickly, given our scientific and technological capabilities.” As a signatory to the Nuclear Non-Proliferation Treaty, South Korea has pledged not to seek nuclear weapons, and the United States withdrew nuclear weapons from South Korea in 1991. Also that year both South and North Korea agreed that neither side would “test, manufacture, produce, receive, possess, store, deploy or use nuclear weapons.” But North Korea’s nuclear tests starting in 2006 were a violation of that commitment, and speculation has grown that North Korea may soon conduct a seventh nuclear test. Cheon Seong-whun, a former head of the government-supported Korea Institute for National Unification, said that “President Yoon’s comment could turn out to be a watershed moment in the history of South Korea’s national security. It could shift its paradigm in how to deal with the North Korean nuclear threat.” Because leaving the Nuclear Non-Proliferation Treaty and developing nuclear weapons could lead to international sanctions, this option seems unlikely; the South Korean Defense Ministry said that the more “realistic option” was through joint deterrence with the US. The US had no immediate comment on President Yoon’s statement.

17. MONKEYPOX UPDATES

As of January 11, the [US has confirmed](#) a total of 29,980 cases of monkeypox. States with the highest case numbers include California (5,697), New York (4,209), Texas (2,886), Florida (2,859) and Georgia (1,985). [Globally](#), as of January 10, 84,471 cases have been confirmed, with 83,271 cases confirmed in locations that have not historically reported monkeypox. The countries with the highest case numbers include the US (29,913), Brazil (10,593), Spain (7,505), France (4,114), and Colombia (4,049). A total of 61 deaths have been reported in locations that have not historically reported monkeypox.

The FDA is [issuing](#) an Emergency Use Authorization (EUA) for an in vitro diagnostic device from Life Technologies Corporation of Thermo Fisher Scientific. The test, TaqPath Monkeypox [mpox]/Orthopox Virus DNA Kit, is used for the [qualitative detection of DNA](#) from monkeypox (mpox) virus and non-variola orthopox virus in human lesion swab specimens from individuals suspected of mpox by their health care provider. The emergency use of this test applies only to authorized laboratories.

18. PANDEMIC NEWS

Public Health Emergency Extended: On January 11, the President [extended](#) the Public Health Emergency (PHE) relating to COVID-19 for an additional 90 days. This move was widely expected and will permit waivers for continued regulatory flexibility to be applied except where the flexibility has already been removed (for instance, on inspections of certain health care facilities) or has been modified (for instance, the Omnibus appropriations bill for 2023 extended telehealth flexibilities by law). While many observers expect that the PHE will expire in April, the Administration is noncommittal, [saying](#) only that the decision “to terminate the COVID PHE will be made by the HHS secretary based on the best available data and science. Any suggestion that a specific end date has been established is untrue.” However, the Administration has also committed to giving 60 days’ notice of its intent to end the PHE, so an April termination would require notification to states and health care providers by February.

XBB.1.5 Has Stronger Ability to Bind Cells Compared to XBB: Omicron subvariant XBB.1.5 evolved from XBB, which has a mutation that allowed it to evade the body’s immune defenses. However, the same quality also reduced the variant’s ability to infect human cells. Professor Wendy Barclay of Imperial College London noted that XBB.1.5 has a [mutation](#) known as F486P which restores the ability to bind to human cells while continuing to evade immunity. WHO called XBB.1.5 “the [most transmissible](#) variant yet.” The WHO said that there is no indication so far that the new variant causes more severe illness. On January 6, 27.6 percent of confirmed cases in the US were [caused by](#) XBB.1.5.

Price of Moderna Vaccine: To date, the federal government has [purchased all doses](#) of COVID-19 vaccines and made them available at no cost to the recipient. Recently, US officials alerted vaccine makers to prepare for an upcoming switch to commercialization once the supply secured under federal contracts runs out. Moderna Inc. has said it [plans to charge](#) \$110 to \$130 per vaccine once distribution switches to commercialization, in line with a similar proposal from Pfizer. The original vaccine was priced between \$15 and \$16 per dose in early federal supply contracts.

House Panel on the Coronavirus: House Republicans are planning to use their new majority to [press scientists and federal officials](#) about their response to the COVID-19 pandemic. The idea of a COVID-19 panel is not new; the Republican select subcommittee replaces a Democratic-led panel commissioned in spring 2020 focused largely on the Trump Administration’s COVID response and fraud in pandemic aid programs. The new Republican subcommittee received a sweeping mandate Monday night to investigate COVID-19-related school closures, gain-of-function research, vaccine mandates, and the heavy aid packages passed by Congress.

Japan Records Record COVID Deaths: In Japan’s battle with the eighth wave of the pandemic, the country recorded a [cumulative total](#) of over 60,000 deaths on Sunday. On December 1, Japan’s cumulative death tally stood at 50,000. The increase of 10,000 cumulative deaths in just over a month highlights the country’s increasing fatality rate. Japan recorded a record daily death count of 498 on January 5. Seniors in their eighties accounted for the majority of deaths.

Autopsies Reveal that SARS-CoV-2 Spreads Throughout Entire Body: Despite COVID-19 being a respiratory virus, the harm that SARS-CoV-2 causes the body is not confined to the lungs. Dozens of recent autopsies show signs of [persistent COVID-19 throughout the body](#), including the lungs, heart, kidneys, spleen, colon, thorax, nerves, reproductive system, brain, and eyes. In one autopsy, remnants of SARS-CoV-2 were founded in a deceased person 230 days after symptoms first appeared. The peer-reviewed [study](#) was published last month in *Nature*. “Our data indicate that in some patients SARS-CoV-

2 can cause systemic infection and persist in the body for months,” conclude the authors of the study led by researchers at the US National Institutes of Health (NIH).

19. COUNTRY SPOTLIGHT: CHINA

COVID-19 has been rapidly spreading virtually unchecked throughout China since Beijing abandoned its zero-COVID strategy in December. As of January 6, almost 90 percent of residents in China’s [Henan province](#) have been infected with COVID-19, according to a top local official; the figure estimates that approximately 88.5 million people in the country’s third most populous province have been infected.

In the past several weeks, global unease has grown about the [accuracy](#) of China’s reporting of the outbreak that has filled hospitals and [overwhelmed crematoriums](#). China uses a very [narrow definition of COVID-related deaths](#) compared to other countries which use a more inclusive standard suggested by the World Health Organization (WHO). Under China’s methodology, only those who die [specifically of respiratory failure](#) caused by the virus are recorded as COVID-19 deaths. Despite criticism, Beijing asserts that its data is accurate. Further, Chinese health officials said Wednesday that it was “[not necessary](#)” to “dwell” on the exact number of deaths and that in the absence of a global standard, countries should pick their own methods without interference. As of Wednesday, China has [recorded only](#) 37 deaths since December 7. This should be [cause for concern](#) beyond China, yet deaths are “being hugely underreported,” noted Dr. Eric Feigl-Ding, Chief of the COVID Task Force at the New England Complex Systems Institute. “The global fallout of this 2022-2023 wave will not be small,” he said.

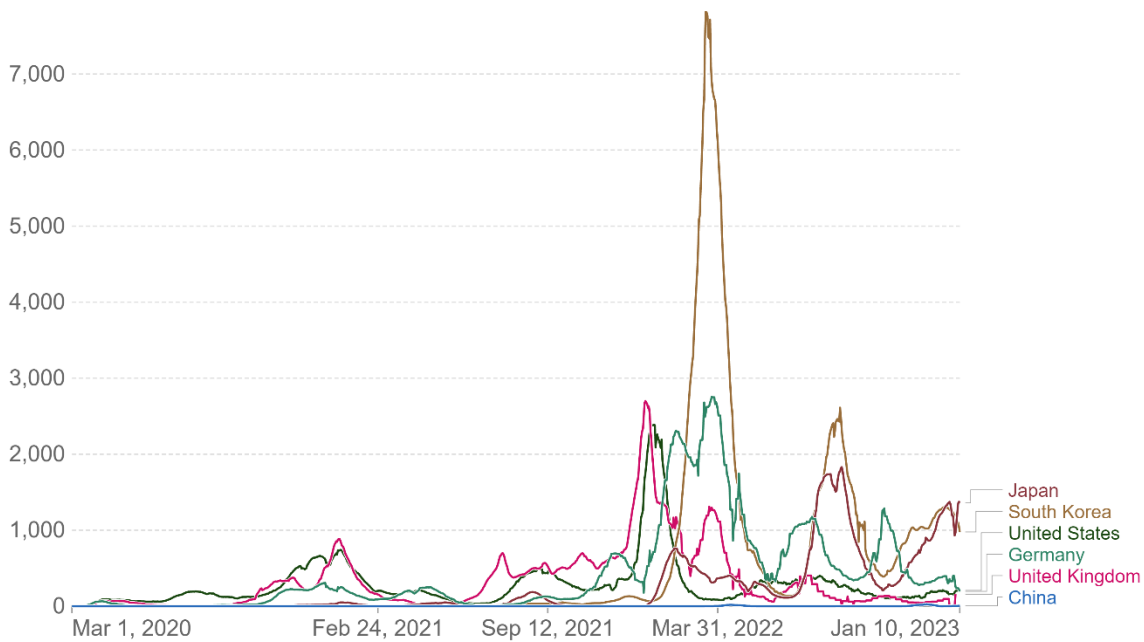
The WHO [continues to ask](#) China for more rapid, regular, and reliable data on hospitalizations and deaths, as well as viral sequencing, noted WHO director-general Tedros Adhanom Ghebreyesus. “WHO has been concerned about the risk to life in China and has reiterated the importance of vaccination, including booster doses, to protect against hospitalization, severe disease, and death,” he said. Only 40 percent of those over age 80 have had a [booster shot](#). China is working with the WHO to mitigate surging cases [ahead of travel](#) for Lunar New Year celebrations. Pre-pandemic, the holiday was known as the world’s biggest annual migration of people. “We’ve been working with our Chinese colleagues,” said Abdi Rahman Mahamud director of the WHO’s alert and response coordination department. China has a number of strategies on people travelling from high-risk areas to low-risk areas, noted Mahamud.

On Sunday, [China reopened its borders](#) to international tourism for the first time since March 2020. Incoming travelers will no longer need to quarantine but will still be required to present a negative PCR test taken within 48 hours of departure. In Hong Kong alone, 400,000 people are expected to travel to the mainland in the coming weeks. After [denouncing](#) COVID-19 testing requirements imposed by countries on travelers arriving from China, China made its [first retaliatory move](#) on Tuesday by suspending the issuance of short-term travel visas to travelers from South Korea and Japan. Tuesday’s announcement comes one day after Chinese Foreign Minister Qin Gang spoke with South Korean Minister of Foreign Affairs Park Jin, urging the country to adopt an “objective and scientific attitude” towards its COVID-19 policy. China’s Embassy in South Korea said it and will only lift the ban if the country removes its “discriminatory entry restrictions.”

Daily new confirmed COVID-19 cases per million people

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World
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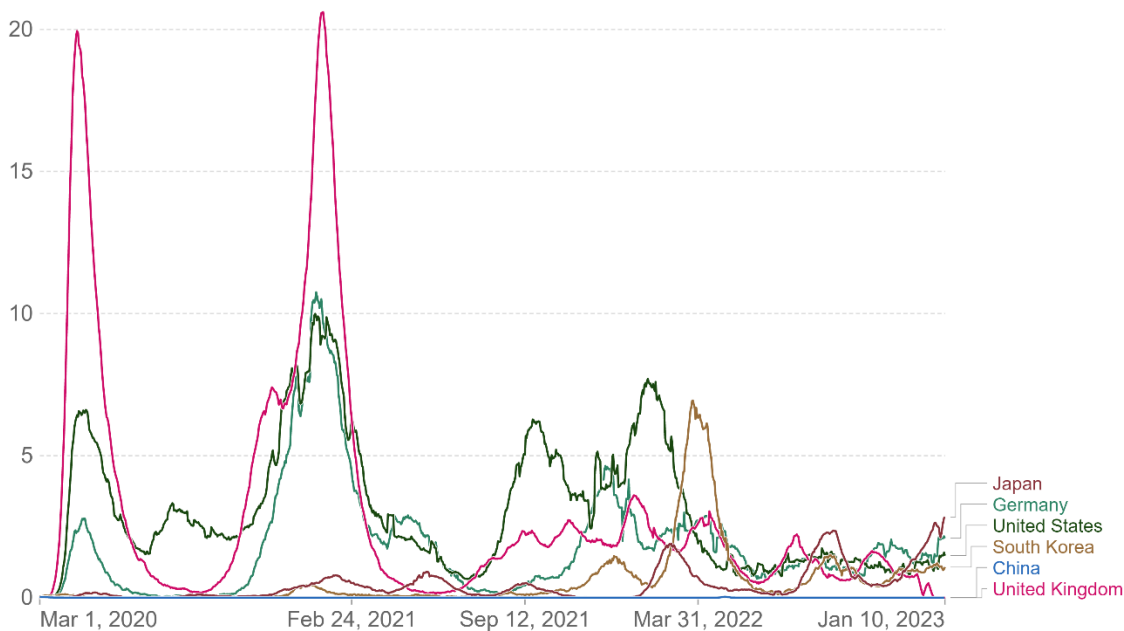
Source: Johns Hopkins University CSSE COVID-19 Data

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Daily new confirmed COVID-19 deaths per million people

7-day rolling average. Due to varying protocols and challenges in the attribution of the cause of death, the number of confirmed deaths may not accurately represent the true number of deaths caused by COVID-19.

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Source: Johns Hopkins University CSSE COVID-19 Data

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