

CED Public Policy Watch Weekly News Round-up February 24, 2023

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1. DEVELOPMENTS ON UKRAINE

The President visits Kyiv: The President made a <u>surprise visit</u> to Kyiv on Monday, traveling in secrecy, including a 10-hour train trip from Poland. Meeting with President Zelensky, he announced an additional military aid package including artillery ammunition and said he visited just before the anniversary of the invasion to show the US is "here to stay." During his remarks, he <u>accused</u> Russia of "crimes against humanity" in Ukraine, which indicates US support for prosecution of Russian officials in the International Criminal Court. (Crimes against humanity are defined in the 1998 <u>Rome Statute</u> as certain acts "committed as part of a widespread or systematic attack directed against any civilian population, with knowledge of the attack.") US National Security Adviser Jake Sullivan <u>called</u> the trip "a historic visit unprecedented in modern times to have the president . . . visit the capital of a country at war where the US military doesn't control the critical infrastructure," unlike previous Presidential visits to Iraq and Afghanistan. The US informed Russia of the trip shortly before it occurs for "deconfliction purposes."

Poland visit: In a speech at Warsaw's Royal Castle to mark the anniversary of the war, the President <u>said</u> the war has left "burned-out tanks and Russian forces in disarray" while warning of "hard and very bitter days, victories and tragedies" ahead in the conflict. He promised that the US would "continue to have Ukraine's back as it defends itself." The President thanked Poland for hosting over 1.5 million refugees.

The President also <u>met</u> leaders of the Bucharest Nine group of frontline states (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, and Slovakia) formed after Russia's invasion of Crimea in 2014. Hungary's Viktor Orban did not attend; President Katalin Novak attended



instead. The President strongly <u>reaffirmed</u> US commitment to the countries: "Article 5 [of the NATO Treaty] is a sacred commitment the United States has made We will defend every inch of NATO. Every inch of NATO." The leaders thanked the US for its commitments; Slovak President Zuzana Čaputová said the war "has made us stronger and more united" as well as "more protected than ever." On Thursday evening, the US announced an additional \$2 billion in security assistance for Ukraine.

Putin speech, suspension of New START treaty: Russian President Putin also <u>spoke</u> on Tuesday, blaming the West for the war while announcing that Russia would suspend participation in the New START arms control treaty, which President Biden <u>called</u> a "big mistake." President Putin also <u>said</u> that he "signed a decree on putting new ground-based strategic systems on combat duty" and said Russia would conduct new nuclear tests if the US did (the US has no plans to do so). On Thursday, "Defender of the Fatherland" Day in Russia, Putin <u>announced</u> plans to deploy the RS-28 Sarmat land-based intercontinental ballistic missile system later this year and said Russia would begin production of hypersonic missiles to be placed in submarines along with other ballistic missiles.

Munich Security Conference: World leaders and diplomats attended the annual Munich Security Conference; Vice President Harris and Secretary of State Blinken represented the US. Blinken met with Chinese Foreign Minister Wang Yi after warning that China is considering providing "lethal support" to Russia. Blinken later said that China "understands what's at risk" if it does so. During a visit to India, Treasury Secretary Janet Yellen also warned China that "providing material support to Russia or assistance with any type of systemic sanctions evasion would be a very serious concern" to the US and that Chinese banks would face "serious consequences" from violating sanctions. German newsmagazine Der Spiegel reported that Russia is seeking to purchase drones from a Chinese manufacturer similar to Iran's Shaheed 136 drone that can carry a warhead of 35-50 kilograms.

Speaking via video at the Conference (whose theme was "David on the Dnipro"), President Zelensky <u>said</u> "Goliath has already started to lose. Goliath will definitely fall this year" and adding it was "<u>obvious</u>" Russia would not stop at Ukraine if it wins. German Chancellor Olaf Scholz <u>defended</u> Germany's record in providing military support carefully avoiding "unintended escalation" but adding that some countries had not met their pledges and that countries which can provide battle tanks to Ukraine should do so "now." He also <u>said</u> Germany's increase in its defense spending to 2 percent of GDP is "permanent."

French President Emmanuel Macron <u>delivered</u> a powerful and provocative speech, admitting that he had been too trusting of Putin earlier, <u>calling</u> Russia's war "neocolonialist and imperialist," and stating that "the hour of dialogue hasn't come yet because Russia chose war [and committed war crimes]. Russia cannot and must not win this war, and Russia's attack must fail." Macron also argued that the West had not done a good job on relations with Russia in the post-Cold War era and had not paid sufficient attention to the developing world, citing low provision of COVID-19 vaccines as an example; "I am struck by how we have lost the trust of the Global South." He suggested reforming the UN on the ground that a permanent member of the Security Council had violated the UN Charter.

European arms supplies: European Commission President Ursula von der Leyen <u>outlined</u> a plan for "advanced purchase agreements that give the defence industry the possibility to invest in production lines now to be faster and to increase the amount they can deliver," essentially on the model of the US <u>Defense Production Act</u>, arguing that it is time "to speed up the production and to scale up the production of standardized products [such as ammunition] that Ukraine needs desperately."



Putin meets Chinese Foreign Minister: Chinese Foreign Minister Wang Yi <u>visited</u> Moscow, telling President Putin that relations between Russia and China would "not succumb to pressure from third parties" and would work to "strengthen and deepen" their relations, <u>adding</u> that "Moscow and Beijing are ready to defend each other's interests." The Russian foreign ministry added that "[w]e welcome China's readiness to play a positive role in resolving the Ukrainian crisis."

Chinese peace plan: Foreign Minister Wang <u>announced</u> at the Munich Conference that China would propose a peace plan on Friday based on the principles of sovereignty, territorial integrity, and the UN Charter and had consulted European governments on it. German Foreign Minister Annalena Baerbock welcomed this, saying "China has an obligation to use its influence to secure world peace" but adding that she told Wang "what a just peace means – not that you reward the aggressor, but that you stand up for international law and for those who have been attacked" that the one who violated territorial integrity, namely Russia, withdraws its troops from the occupied country. She added that "[e]ven if it's difficult," ceding territory to Russia was unacceptable as that "would mean that we make the people prey to Russia. We will not do that." Ukraine <u>said</u> China did not consult with it on the peace plan.

The Chinese plan or "position paper" contains several major points strongly favoring Russian positions. It calls for "respecting sovereignty of all countries" while stating that a country's "security cannot be at the expense of another country's security." In a clear reference to NATO, it opposes "strengthening or even expanding military blocs." It proposes a "cease fire and stop fighting" which would leave Russian forces in possession of Ukrainian territory and an effort to "gradually promote de-escalation and easing of situation and finally reach comprehensive ceasefire." On nuclear issues, it calls for maintaining the safety of nuclear facilities and reaffirms that "[n]uclear weapons cannot be used and nuclear war cannot be fought." Finally, it opposes "any unilateral sanctions not authorised by UN security council" -- which would give Russia (and China) a veto over sanctions on itself. Russia could use the plan to try to gain additional support in the developing world and isolate the West or make it seem the West is interested in continuing the war while Russia is not -- on terms that would leave Russia in possession of large parts of Ukraine, as "sovereignty" is not defined, there is no reference to Ukraine's territorial integrity, and no call for withdrawal of Russian soldiers but merely a "comprehensive ceasefire." Still, Ukraine welcomed the issuance of the plan as a "good sign" and President Zelensky said he would like to meet with China.

UN resolution on the war: The UN General Assembly <u>approved</u> a resolution demanding a withdrawal of Russian troops from Ukraine "completely and unconditionally" and respect for Ukraine's sovereignty and territorial integrity and calling for a "just and lasting" peace; 141 countries supported the resolution, 7 voted no, and 32 (including China, India, and South Africa) abstained. Responding to concerns raised by some in the developing world, EU High Representative for Foreign and Security Policy Josep Borrell told the General Assembly that the war was not just a "European issue" or "the West versus Russia" but rather an "illegal war" that "concerns everyone: the North, the South, the East, and the West."

Crimea and Donbas: US Under Secretary of State Victoria Nuland <u>said</u> that for Ukraine to be safe, the US believes Crimea should be "at a minimum, demilitarized" and that the US believes Ukrainian attacks in Crimea and at Russian military sites are "legitimate targets [.]" Ukraine <u>claimed</u> that Russia was "deliberately intensifying hostilities in an effort to deplete the units of the armed forces of Ukraine" and that Russia's goal is to try to capture in full the oblasts of Donetsk and Luhansk before the summer.

Italian cyberattacks: On Wednesday, cyberattacks struck a number of Italian companies and government offices, including the defense ministry. Italian Foreign Minister Antonio Tajani <u>called</u> the



attacks "a threat, a warning" from Russia following Prime Minister Giorgia Meloni's visit to Kyiv. A Russian hacker group claimed responsibility for the attacks.

Australian sanctions: Australia <u>pledged</u> to stand with Ukraine "for as long as it takes." It will send non-lethal drones to Ukraine and imposed sanctions to 90 new individuals, including Russian Orthodox Patriarch Kirill, and 40 entities, including media outlet Sputnik, for a total of over 1,000 sanctions.

Grain deal extension: Deputy Ukrainian infrastructure minister Yuriy Vaskov <u>announced</u> that negotiations to extend the Black Sea Grain Initiative, which expires in March, will begin next week, saying he thinks "common sense will prevail and the corridor will be extended" although "it will be difficult -- as it was in November" because of Russian conditions for the renewal.

2. Q4 2022 GDP GROWTH REVISED DOWN SLIGHTLY TO 2.7 PERCENT

Real gross domestic product (GDP) increased at an annual rate of 2.7 percent in the fourth quarter of 2022, according to a revised estimate <u>released</u> Thursday by the Bureau of Economic Analysis. This was lower than the third quarter's 3.2 percent. The updated estimates of GDP had less consumer spending than the advance estimate and more imports, meaning there was less domestic production than the advance estimate had shown. This was partially offset by stronger nonresidential fixed investment than in the advance estimate. Overall, the fourth quarter of 2022 was characterized by strong real spending on services, which increased at a 2.4 percent annual rate, but weak spending on goods, which decreased at a 0.5 percent rate, for a 1.4 percent annualized increase in consumption overall. Fixed investment declined 4.6 percent, driven by a massive pullback in housing investment (-25.9 percent) as mortgage rates increased. Government expenditures increased (3.6 percent). The trade deficit fell in the final quarter of 2022, as both exports and imports declined.

3. FOMC MINUTES SHOW FED LIKELY TO ENGAGE IN ADDITIONAL HIKES

Minutes of the January 31-February 1 meeting of the Federal Open Market Committee published Wednesday showed that "almost all" participants supported the Federal Reserve's 25 basis point hike, but "a few" favored a larger, 50-point hike, noting that "a larger increase would more quickly bring the target range close to the levels they believed would achieve a sufficiently restrictive stance." Additionally, "a number of participants observed that a policy stance that proved to be insufficiently restrictive could halt recent progress in moderating inflationary pressures."

Overall, the minutes suggest that the Fed, which usually moves rates in 25 basis point increments, was closer to a 50-point hike than to leaving rates unchanged. In the period since the meeting, the January Consumer Price Index came in at a relatively high 0.5 percent month-over-month rate of growth, while advance retail sales data showed 3.0 percent growth (which may have resulted in part from seasonal adjustments and warm weather). These data points, which indicate relatively high levels of aggregate demand, are likely to continue driving the view some FOMC participants favor that the Fed should continue its rate increases at a higher pace. Most Fed officials had projected in December the final federal funds rate at the end of 2023 would be 5.1%, which would imply two more 25-point raises. This is also the terminal rate currently projected in The Conference Board's economic forecast.



4. INITIAL UNEMPLOYMENT CLAIMS DECLINE SLIGHTLY

The Department of Labor reported Thursday that <u>initial claims</u> for unemployment insurance, a weekly indicator of labor market health, were 192,000 for the week ending February 18, a decrease of 3,000 from the previous week's revised level of 195,000. The 4-week moving average was 191,250, just off its lowest mark since May 2022. This level of claims is low by historical standards and well below the highs of 261,000 in July, reflecting continued labor market strength even as some leading economic indicators tip into negative territory. The <u>latest economic forecast</u> from The Conference Board shows the unemployment rate rising to 4.4 percent, well above its current level of 3.4 percent, by the fourth quarter of 2023.

5. DHS, JUSTICE PROPOSE NEW RULE ON LAWFUL IMMIGRATION PATHWAYS

The Departments of Homeland Security (DHS) and Justice proposed a <u>new rule</u> planning for a "potential surge of migration" at the southwest border once the COVID-19 Public Health Emergency ends and the Centers for Disease Control terminates its related public health order under Title 42 of the Public Health Act that has permitted rapid deportation of unlawful migrants. The rule is designed to "encourage migrant" to use only "lawful, safe, and orderly pathways" or seek asylum in third countries, "reducing reliance on human smuggling networks that exploit migrants for financial gain." To this end, it proposes a "rebuttable presumption of asylum ineligibility" if migrants do not use lawful points of entry or seek asylum in other countries "through which they travel." The Departments are concerned about a rise in unauthorized migrants "to a level that risks undermining the Departments' continued ability to safely, effectively, and humanely enforce and administer U.S. immigration law, including the asylum system [.]"

More specifically, the Departments seek to address a "growing backlog" of immigration cases, under which "those deserving of protection may have to wait years for their claims to be granted, while individuals who are ultimately found not to merit protection may spend years in the United States before being issued a final order of removal."

Instead, the Departments want to focus asylum claims at lawful border crossings. They cite the Administration's processes in the Uniting for Ukraine initiative and policy on Venezuelans, Cubans, Haitians, and Nicaraguans, which offer a way for citizens of those countries to seek asylum with removal to Mexico for those who do not follow these processes. These procedures have led to sharp declines in the number of illegal border crossings. The proposed rule states that Mexico's decision to accept return of those migrants "was predicated, in primary part," on adoption of this policy. Comments on the proposed rule are due March 27; presumably a final rule would be adopted before the end of the COVID-19 Public Health Emergency in May.

6. REPUBLICAN GOVERNORS PROMOTE IMMIGRATION

Two Republican Governors, Eric Holcomb of Indiana and Spencer Cox of Utah, wrote an <u>opinion</u> piece in the *Washington Post* calling for the <u>states</u> to be given authority to sponsor immigrants under similar authority to that employers and universities currently have, "up to a limit set by Congress, for the specific sorts of jobs they need to fill." (Because the Constitution gives control of immigration solely to the Federal government, this change would require an Act of Congress.) They pointed out the large number of open jobs in their states and noted that the current workforce "won't be enough to fill all of those vacancies. We also need immigrants who are ready to work and help build strong communities." Citing "[r]apidly declining birthrates and accelerating retirements" that are expanding job gaps to "crisis



proportions," the governors argue that while "[m]any of these jobs require high-level skills and entrepreneurship . . . states are also awash in unfilled entry-level, low-skill roles — essential in agriculture, health care and the service industries." Therefore, "we call on Congress to end its two-decade standoff on setting immigration policy -- one of its most basic duties. . . . As it is, the standstill on immigration hobbles both parties and, more seriously, endangers America's long-term well-being."

7. RAIL SAFETY: NEW REGULATIONS; EPA TAKES OVER DERAILMENT SITE

Following a major train derailment and spill of hazardous materials in East Palestine, Ohio, on February 3 involving 38 cars from a Norfolk Southern train, the US Department of Transportation (DOT) announced an ambitious effort to heighten rail safety standards and accountability and <u>called</u> on the rail industry to work with DOT and on Congress to enact new rail safety standards.

Specifically, DOT also <u>asked</u> railroads to join the FRA's <u>Confidential Close Call Reporting Program</u> (a whistleblower program, in which no Class I freight railroad currently participates.) DOT also asked railroads to retain human inspections along with new inspection technologies, require the owners of tank cars to expedite the phase-in of safer tank cars before the 2029 deadline, provide "proactive advance notification to state emergency response teams when they are transporting hazardous gas tank cars through their states instead of expecting first responders to look up this information after an incident occurs", and provide paid sick leave to employees (arguing "This doesn't have to wait for national negotiations—companies can come to terms individually with their labor unions.")

DOT will also <u>continue</u> to support a minimum of two crewmembers for most railroad operations, initiate a "focused safety inspection program on routes over which high-hazard flammable trains" travel and on legacy tank cars and "shippers and railroads who have chosen not to upgrade to the safer tank cars", use IIJA funding for increased rail safety, including eliminating at-grade rail crossings, and pursue "further rulemaking, to the extent possible under current statute, on high-hazard flammable trains (HHFT) and electronically controlled pneumatic brakes (ECP)." A rule on ECP had been proposed under the Obama Administration but <u>reversed</u> by the Trump administration. DOT also called on Congress to increase the maximum fine for safety violations from its current \$225,455.

Major cleanup efforts <u>continued</u> at the site, including removal of 15,000 pounds of contaminated soil and 1.1 million gallons of water affected by the derailment. The Environmental Protection Agency has now <u>taken over</u> cleanup of the site using its authority under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the same statute EPA has used for "Superfund" sites. EPA is still estimating the full impact of the spill and will require Norfolk Southern to pay for the cleanup of the site and meet other conditions, including sharing information with the public, instead of accepting its voluntary plan. Administrator Michael Regan <u>said</u> EPA would "push them to do it right and to do it as quickly as possible, and do it as transparently as possible."

Pennsylvania's Department of Environmental Protection <u>made</u> a criminal referral against Norfolk Southern (the derailment occurred about a half-mile from the border; video showed a rail car spouting flames in Pennsylvania). Ohio Governor Mike DeWine urged Congressional hearings and stricter safety for carriage of hazardous materials and also <u>said</u> the railroad should pay for all damage: "when someone shows up at the clinic and if they do not have insurance, the railroad needs to be made to pay for that." An investigation by the independent National Transportation Safety Board is continuing; its preliminary <u>report</u> released Thursday showed that the crew tried to stop the train three times because of a hot axle but were unable to do so, although the train was going under the speed limit.



8. EPA REGULATORY AGENDA

The Environmental Protection Agency published its semiannual regulatory <u>agenda</u>. Notable regulations likely to be published by November include a regulation on performance standards and emission guidelines for crude oil and natural gas facilities (which will likely propose sharp reductions in methane emissions from oil and gas production) and revisions to air emissions reporting requirements. The regulatory agenda outlines an agency's plans for the next several months without indicating the content of the proposed regulation, which is issued only at publication in the *Federal Register*.

9. LABOR DEPARTMENT REGULATORY AGENDA

The Labor Department also published its <u>agenda</u> of forthcoming regulations. Two regulations concern exemptions from overtime classifications and classifying workers as either employees or independent contractors -- two very controversial issues. The Department is also planning revisions to regulations on H-2B visas for temporary non-agricultural workers and on temporary agricultural employment. The Occupational Health and Safety Administration is also planning a revised rule on chemical accidents; it is possible this could be accelerated following the Ohio derailment involving chemical leaks.

10. DOD/GSA PROPOSE NEW SECURITY REGULATIONS

In their semiannual regulatory agenda, the Department of Defense and General Services Administration proposed several new rules to heighten information security. They intend to implement a component of the Federal Acquisition Supply Chain Security Act of 2018, which gives agencies authority to determine and mitigate supply chain risks in procurements involving controlled unclassified information, information technology, embedded information technology, and telecommunications. They also plan two actions pertaining to Executive Order 14028 from May 2021 on cybersecurity: that contractors afflicted by cyber incidents increase information sharing with the Federal government (a step recommended in CED's Solutions Brief Securing Cyberspace in an Era of Evolving Threats), and to standardize cybersecurity contractual requirements across federal agencies for unclassified information. Finally, they plan a rule for exclusion orders under the SECURE Technology Act, a law designed to facilitate the removal of potentially threatening software from government systems and processes.

11. SUPREME COURT HEARS CASES ON INTERNET COMPANIES' LIABILITY

On Tuesday, the Supreme Court heard oral arguments in *Gonzalez v. Google*, which concerns the limits of internet companies' liability under Section 230 of the Communications Decency Act that provides a broad shield to the companies for content provided by third parties. The family of a US citizen killed during a 2015 terrorist attack in Paris argues that Google's YouTube had recommended videos supporting the ISIS terrorist organization. Some Justices expressed frustration at the arguments of Gonzalez' lawyer, with Justice Clarence Thomas asking the attorney for a "clearer point." Justices also expressed skepticism about the claim that all "algorithmic recommendations" automatically fall within the shield, with Google's attorney arguing for protecting even algorithms designed to favor objectionable content -- to which Justice Ketanji Brown Jackson responded by noting Congress' intent that only internet companies removing third party content in good faith were covered by the shield.

It is possible the Justices could remand the case to a lower court without deciding it now, particularly as another pending case, <u>Twitter, Inc. v. Taamneh</u>, which the Justices heard Wednesday, concerns the law which the Gonzalez family argues makes Google liable. In oral arguments in the Twitter case, several



Justices expressed skepticism that the <u>Antiterrorism Act</u>, which permits lawsuits against those who "aid and abet" terrorism, could apply to large internet companies such as Twitter, Google, or Meta's Facebook. In that case, the family of a Jordanian national killed in an ISIS terrorist attack in Istanbul argues that Twitter should have removed the content from its platform. At this stage of the case, the Justices are considering only whether the Antiterrorism Act applies to the internet companies.

12. APPLE/ALIVECOR INTERNATIONAL TRADE COMMISSION CASE

The International Trade Commission (ITC) ruled in December that Apple infringed on patents for wearable electrocardiograms owned by medical device company AliveCor. US Trade Representative Katherine Tai upheld the decision this week, which could potentially lead to a ban on imports of the Apple Watch. (Companies alleging patent infringement often file suit at the ITC to seek enforcement through banning importation of infringing products.) However, the ITC order is currently on hold because of a ruling that AliveCor's patents are themselves invalid. That decision will be appealed, a process that could take up to 18 months before a final ruling is made. In 2018, Apple introduced Watch models with electrocardiogram sensors, and AliveCor sued alleging patent infringement.

13. MICROSOFT AI CHATBOT

Microsoft is <u>beginning to loosen restrictions</u> on usage of its Bing AI chatbot it <u>put into place</u> last Friday though it appears also to have adopted additional restrictions. The chatbot is powered by a large language model from OpenAI, in which Microsoft is invested. When human users prompt the model with text questions or comments, it attempts to respond in a way that follows from the prompt, based on a training set of many human-produced documents.

In conversations with several users, including reporters at the Associated Press and the *New York Times*, the chatbot had exhibited <u>belligerent</u> and <u>emotionally inappropriate</u> text. Microsoft limited the chatbot shortly after these and other conversations became public, in part by reducing the length of the conversation a user could have with the bot. Microsoft stated in a blog post that "long, extended chat sessions of 15 or more questions, Bing can become repetitive or be prompted/provoked to give responses that are not necessarily helpful or in line with our designed tone." The model has initial instructions but also attempts to follow user prompts. The longer conversations last, the more a user can coax the model to exhibit behaviors inconsistent with its initial instructions. In Tuesday's move, Microsoft <u>noted</u> it had heard user feedback requesting the return of longer chats and stated it would continue to make improvements to the model.

A report also <u>suggested</u> that Microsoft appears to have implemented restrictions on certain types of user interactions, "with the system going mum after prompts mentioning 'feelings' or 'Sydney,' the internal alias used by the Bing team in developing the artificial-intelligence powered chatbot. Bing suggested a number of follow-up questions, including, 'How do you feel about being a search engine?' When that option was clicked, Bing showed a message that said, 'I'm sorry but I prefer not to continue this conversation. I'm still learning so I appreciate your understanding and patience.'"

14. REPUBLICAN STATES SUE ON ESG PENSION RULE

Twenty-five states with Republican Governors and Attorneys General filed <u>suit</u> asking a Federal court in Amarillo, Texas to block a new <u>rule</u> permitting retirement plans to consider environmental, social, and governance factors in determining investments made under the plans, which <u>reversed</u> a previous rule



from the Trump Administration. The plaintiffs claim that the rule violates the Employee Retirement Income Security Act (ERISA) of 1974 by permitting consideration of factors other than financial factors in making investments. The Administration argues it is legitimate for the plans to consider climate risks in long-term investments. Utah Attorney General Sean Reyes is the lead plaintiff; plaintiffs filed in Texas as the home of an energy company joining the suit; the Administration is seeking a change of venue.

15. SCHOOL PULSE PANEL SHOWS RECOVERY EFFORTS

About half of public school students began the 2022-23 school year behind grade level in at least one academic subject based on estimates from public school leaders captured in the National Center for Education Statistics' School Pulse Panel. The School Pulse Panel collects information from a national sample of elementary, middle, high, and combined-grade public schools on topics such as learning recovery, tutoring offerings, learning mode offerings, and the prevalence of quarantine. The panel's most recent findings highlight the myriad ways public schools are assessing academic needs and delivering interventions. A majority of public schools, 83 percent, provide some form of tutoring -- an approach endorsed nationally by leaders, researchers, experts, and funders alike. In July 2022, the President further encouraged tutoring as a strategy by launching the National Partnership for Student Success to provide 250,000 tutors and mentors. The School Pulse Panel also reveals the challenge public schools continue to face to move beyond the physical limitations of the pandemic, with 36 percent of schools reporting students in quarantine due to COVID-19, and 27 percent with staff in quarantine as of December 2022.

16. EXECUTIVE ORDER ON EQUITY AT AGENCIES

The President signed an Executive Order on equity in the Federal government with a very broad remit. The Order establishes Agency Equity Teams at all Cabinet Departments and major agencies, headed by a designated equity official. Among other tasks, the team "shall support continued equity training and equity leadership development for staff across all levels of the agency's workforce"; teams should have "sufficient resources, including staffing and data collection capacity, to advance the agency's equity goals." Under the supervision of a White House Steering Committee on Equity, each agency head shall implement "a comprehensive equity strategy that uses the agency's policy, budgetary, programmatic, service-delivery, procurement, data-collection processes, grantmaking, public engagement, research and evaluation, and regulatory functions to enable the agency's mission and service delivery to yield equitable outcomes for all Americans, including underserved communities." Beginning in September, agencies will be required to deliver an Equity Action Plan to the White House along with their agency budget requests for the President's Budget.

Notably, the Order also seeks to prevent "algorithmic discrimination" in Federal activities and provides that "[w]hen designing, developing, acquiring, and using artificial intelligence and automated systems in the Federal Government" agencies do so "in a manner that advances equity." The Order also focuses on using Federal resources to "build community wealth" in rural America (including "good, high-paying union jobs in rural areas") and underserved urban areas. Finally, the Order sets a 15 percent goal for Federal procurement dollars "awarded to small business concerns owned and controlled by socially and economically disadvantaged individuals (SDBs)" for Fiscal Year 2025 and will set an intermediate goal for Fiscal Year 2024 and "expand procurement opportunities for SDBs" in funding under the Infrastructure Investment and Jobs Act and the Inflation Reduction Act.



17. US TO INCREASE TROOP PRESENCE ON TAIWAN

The Wall Street Journal reported that the US plans to deploy 100-200 troops to Taiwan to assist with an expanded training program, up from about 30 now. In addition, the Michigan National Guard is training a small number of Taiwanese forces during an annual exercise in northern Michigan. According to the report, the training involves not only learning US weapons systems but also on "military maneuvers to protect against a potential Chinese offensive." The US troop presence in Taiwan reportedly began in 2020. One US official added that "One of the difficult things to determine is what really is objectionable to China. We don't think at the levels that we're engaged in and are likely to remain engaged in the near future that we are anywhere close to a tipping point for China, but that's a question that is constantly being evaluated and looked at specifically with every decision involving support to Taiwan." A Pentagon spokesperson added that "[o]ur commitment to Taiwan is rock-solid and contributes to the maintenance of peace and stability across the Taiwan Strait and within the region."

18. IRAN NUCLEAR ENRICHMENT

Inspectors from the UN's International Atomic Energy Agency (IAEA) have <u>found</u> uranium in Iran that has been enriched to 84 percent purity, above the 60 percent "weapons-grade" material found in 2021 and nearly the 90 percent level that can be used to make atomic weapons. However, the IAEA did not find indications that Iran was stockpiling the 84 percent enriched material. A European diplomat stated that "[i]f confirmed, this would be an unprecedented and extremely grave development." Early in February, the IAEA said that Iran had conducted nuclear work that had not been reported to it. Citing *Bloomberg*, The Wall Street Journal reported that "Iran told the IAEA it hadn't intended to carry out the work."

19. NORTH KOREAN MISSILE LAUNCHES

North Korea <u>launched</u> three missiles between Saturday and Monday, including a Hwasong-15 intercontinental ballistic missile and two short-range ballistic missiles. All three landed in the Sea of Japan/East Sea. Kim Yo Jong, sister of Korean leader Kim Jong Un, threatened to make the Pacific Ocean a "firing range," which would require overflying Japan, as it has done several times in the past with launches of intermediate-range ballistic missiles, without offering warnings to aircraft or shipping.

20. PANDEMIC NEWS

Maternal vaccination protected newborns: According to a <u>study</u> published in *The BMJ*, a full course of COVID-19 vaccination administered during pregnancy was 95 percent effective against infection with the Delta variant and 97 percent effective against <u>related hospitalizations</u> among infants younger than six months. Protection against Omicron was not as strong; however, a third dose of vaccine boosted effectiveness to 73 percent against infection and 80 percent against hospital admission. Maternal vaccination was found to be most effective in the third trimester, with effectiveness decreasing in infants beyond eight weeks in age.

EU phasing out travel restrictions: The EU will <u>phase out</u> pre-departure and random testing requirements for travelers from China in the coming weeks. Member states agreed on the changes "in light of the recent epidemiological developments [.]" Non-EU members of the Schengen visa-free travel zone Iceland, Liechtenstein, Norway, and Switzerland also agreed on the change. "We hope Chinese tourists will enjoy a safe and easy travel environment, take good care of themselves and travel with civility while they are abroad," China's foreign ministry said the day before the agreement.



Ivermectin study: A new <u>trial</u> of ivermectin treatment for mild to moderate COVID-19 published Monday in *JAMA* showed that the drug was still not effective at shortening the duration of symptoms even in higher doses and for a longer duration. The new trial served to <u>address</u> the possibility that previous trials may have studied the drug at too low a dose. Researchers concluded that the probability that ivermectin reduced symptom duration by more than one day was less than 0.1 percent and is therefore not beneficial for the treatment of COVID-19.

Organ damage one year after infection: A UK <u>study</u> published in the *Journal of the Royal Society of Medicine* found organ impairment prevalent in 59 percent of long COVID patients, most of whom were not severely affected by initial symptoms, a year after diagnosis. Of the 536 individuals studied, organ damage was detected in 331 participants (62 percent) six months after initial infection, with impairment of the liver, pancreas, heart, and kidneys among the most common. Organ impairment persisted in 59 percent of the 331 individuals a year after first symptoms, with implications for symptoms, quality of life, and long-term health, signaling the need for prevention and integrated care of long COVID.

Xocova for long COVID: Shionogi, makers of Xocova, approved in Japan for oral treatment of COVID-19, presented evidence that the drug may reduce symptoms of long COVID, although the study has yet to be published in a peer-reviewed journal. In a follow-up study of those studied as part of the drug's approval process, 14.5 percent of those who had received Xocova reported one of 14 symptoms of long COVID, compares to 26.3 percent of those who had received a placebo in the original trial, reducing relative risk by 45 percent. For neurological symptoms of long COVID, the relative risk fell by 33 percent. The company will continue a follow-up study for another six months to obtain further data.

21. COUNTRY SPOTLIGHT: CHINA AND VARIANTS

When China suddenly dropped its zero-COVID policy late last year, the World Health Organization (WHO) <u>urged</u> China to share genomic sequencing data, and out of concern that the rapidly spreading virus would result in new variants, many countries issued <u>mandatory COVID-19 testing</u> requirements for travelers from China. However, one analysis of COVID-19 cases in Beijing suggest that <u>no new variants</u> have emerged from China's recent outbreak. The <u>study</u>, funded by the Chinese Academy of Sciences and published in *The Lancet*, found that all 413 samples were of existing variants. The most detected were omicron subvariants BA.5.2 and BF.7, which together accounted for 90 percent of the samples. The samples used in the analysis were randomly selected from a larger group of 2,881 collected in Beijing from November 14 to December 20, 2022. (This period covers the rise of China's outbreak but perhaps not its peak.) "Our analysis suggests two known omicron subvariants – rather than any new variants – have chiefly been responsible for the current surge in Beijing, and likely China as a whole," said George Gao, former director of the Chinese Center for Disease Control and Prevention.

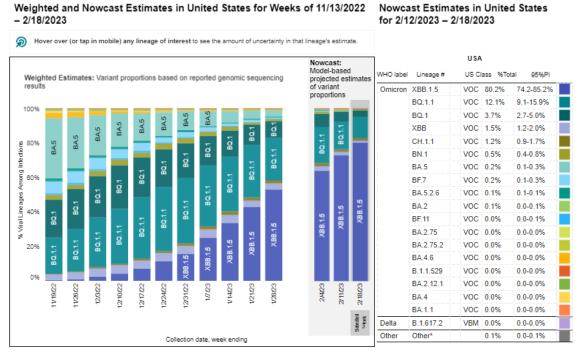
Viral experts note that the emergence of new variants is more likely to occur in the coming months as a growing proportion of the population <u>acquires immunity</u> to the virus, driving SARS-CoV-2 to evolve to evade this immune protection. When China first dropped its zero-COVID policy, most of its population had little immunity against the dominant omicron variant in circulation worldwide. Under such circumstances, the emergence of a new variant is unlikely, explained epidemiologist Jodie McVernon of the Doherty Institute in Melbourne, Australia, as there should be less selection pressure for the emergence of immune-evading variants in such a population.

What has been observed in China is true for the rest of the world: there has not been a significant new variant to challenge omicron and its descendants for over a year. However, viral experts remain



concerned that mutations within the omicron family will eventually significantly evade existing immunity or trigger more severe disease. Currently, WHO is keeping a close eye on XBB.1.5, dubbed "Kraken," a descendant of XBB, which is a recombinant variant of two BA.2 descendant lineages. On January 25, WHO updated its risk assessment of XBB.1.5 from "Low" to "Moderate," using additional reports from countries on prevalence and growth advantage and laboratory-based studies. For the week ending February 18, CDC reports that 80.2 percent of US cases were caused by XBB.1.5.

CDC COVID Data Tracker

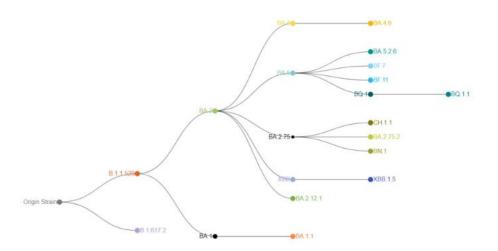


Enumerated lineages are US VOC and lineages circulating above 1% nationally in at least one week period. "Other" represents the aggregation of lineages which are circulating <1% nationally

Enumerated lineages are US VOC and lineages circulating above 1% nationally in at least one week period. "Other" represents the aggregation of lineages which are circulating <1% nationally during all weeks displayed.

BA.1, BA.3 and their sublineages (except BA.1.1 and its sublineages) are aggregated with B.1.1,529. Except BA.2.75, XBB and their sublineages, BA.2 sublineages are aggregated with BA.2.75. Except BA.2.75.2, CH.1.1 and BN.1, BA.2.75 sublineages are aggregated with BA.2.75. Except BA.4.6, sublineages of BA.4 are aggregated to BA.4. Except BF.7, BF.11, BA.5.2.6, BQ.1 and BQ.1.1, sublineages of BA.5 are aggregated to BA.5. Except XBB.1.5, sublineages of XBB are aggregated to XBB. For all the other lineages listed, their sublineages are aggregated to BA.2.75. Lineages BA.2.75.2, XBB, XBB.1.5, BN.1, BA.4.6, BF.7, BF.11, BA.5.2.6 and BQ.1.1 contain the spike substitution R3467.





Note: CDC monitors SARS CoV-2 viruses from every lineage, but COVID Data Tracker only includes the lineages whose weighted estimates are above 1%. Some lineages have key differences in spike protein sequence that may reduce the effectiveness of some treatments or increase the virus's ability to spread. These lineages may be separated from their parent lineage on COVID Data Tracker when their weekly proportion reaches more than 1%.