

***CED Public Policy Watch***  
**04.22.2022**

- 1. DEVELOPMENTS ON UKRAINE**
- 2. UNEMPLOYMENT CLAIMS: HOW LOW CAN CONTINUING CLAIMS GO?**
- 3. POWELL SIGNALS MORE INTEREST RATE INCREASES**
- 4. CLIMATE IMPACT REVIEW OF NEW INFRASTRUCTURE PROJECTS REINSTATED**
- 5. FEDERAL HIGHWAY CLIMATE FUNDS RELEASED**
- 6. REVISIONS TO FUEL ECONOMY STANDARDS FOR PASSENGER VEHICLES**
- 7. USDA RELEASES FUNDING FOR RURAL SCHOOLS**
- 8. MORE STUDENT LOAN FORGIVENESS COMING**
- 9. CANOLA OIL IN THE RENEWABLE FUEL STANDARD**
- 10. FRENCH PRESIDENTIAL ELECTION DEBATE**
- 11. REVISED BOTTLED WATER STANDARD**
- 12. PANDEMIC NEWS**
- 13. COUNTRY SPOTLIGHT: AUSTRALIA**

**1. DEVELOPMENTS ON UKRAINE**

In a challenging week for Ukraine militarily, Russian forces continued to pound Mariupol, a city crucial to Russia's presumed goal of building a land bridge to Crimea, fired missiles hitting Lviv in the west, and [launched](#) a major offensive in eastern Ukraine, which Russian Foreign Minister Sergei Lavrov said would be "a very important moment." A Ukrainian defense official [stated](#) that Ukrainian troops face 'a very difficult battle' with the shift of the war to the east, and a senior UK national security adviser [stated](#) that "the next phase of the war was likely to be an attritional conflict which could last several months." However, a spokesman for Prime Minister Boris Johnson [noted](#) that "[t]here are some signs that Russia had not learned lessons from previous setbacks in northern Ukraine. And there was evidence of troops being committed to the fight in a piecemeal fashion. Reports of poor Russian morale continued with claims of some soldiers leaving units refusing to fight." Russia [rejected](#) a proposal from UN Secretary General Antonio Guterres for a truce from Thursday to Sunday for the Orthodox Easter.

On Friday, a senior Russian military commander [noted](#) that 'One of the tasks of the Russian army is to establish full control over the Donbas and southern Ukraine [to ] provide a land corridor' to Crimea and 'influence on the vital objects of the Ukrainian economy' -- presumably a reference to Ukraine's exports.

The commander also said this would give Russia “‘yet another point of access to Transnistria,’ where ‘oppression of the Russian-speaking population’ has been ‘observed.’” This could be seen as a threat to Moldova, as the breakaway Transnistria is legally a part of Moldova.

Separately, after a call with allies on Tuesday, on Thursday President Biden [announced](#) an additional \$800 million in military aid for Ukraine beyond the \$800 million announced last week, to “further augment Ukraine’s ability to fight in the east.” The new package includes heavy artillery Howitzers with 144,000 rounds of ammunition and tactical drones. The President said, that “[w]e won’t always be able to advertise everything we — that our partners are doing to support Ukraine in its fight for freedom. But to modernize Teddy Roosevelt’s famous advice: Sometimes we will speak softly and carry a large Javelin. Because we’re sending a lot of those in as well.”

On the political and diplomatic front, Johnson is in India for an [official visit](#) to bolster the UK-India strategic and defense partnership; India’s refusal to support action against Russia will also be on the agenda. The EU’s representative for Ukraine, Matti Massikas, visited Kyiv and received Ukraine’s two-volume response to a questionnaire on its application to join the EU; [Ukraine hopes](#) to receive official candidate status within a few weeks, according to AFP. Candidate status would be more significant than the [association agreement](#) negotiated in 2014 which then-Ukrainian President Petro Poroshenko signed in 2014 after the refusal of President Victor Yanukovich to do so led to protests in Kyiv which led to his removal from office. President Zelensky noted that the war is costing the Ukrainian economy [\\$7 billion per month](#) and declared that “our people, mentally, have been . . . in Europe for a long time.” Up to [30% of Ukraine’s infrastructure](#) has been damaged in the war, costing up to \$100 billion to replace.

The Administration [announced](#) that it has awarded contracts for the sale of the initial 30 million barrels of oil released from the Strategic Petroleum Reserve, part of a 180 million barrel release. Demand for the oil was strong, with bids being received for 76 million barrels.

Additional sanctions were announced, with [Canada](#) sanctioning 14 individuals (including President Putin’s two adult daughters); the [UK](#) adding 26 new sanctions designations, including against military officers “commanding the front line” responsible for what it termed “atrocities” in Ukraine; and the US [Treasury](#) putting new restrictions on Russian bank Transkapitalbank and Russian oligarch Konstantin Malofeyev, already under sanctions for funding separatist activities eastern Ukraine. Malofeyev also faces a [US indictment](#) for conspiring to evade US sanctions.

Treasury Secretary Janet Yellin, European Central Bank President Christine Lagarde, and several other Western finance ministers and central bank governors [boycotted](#) part of the G-20 [meeting this week](#) to protest the presence of Russian finance minister Anton Siluanov, who is under US sanctions and attended the meeting virtually. The group did hear from Ukrainian Finance Minister Serhiy Marchenko. Separately, a [communiqué](#) from the G-7 ministers meeting this week noted that the group has collectively pledged \$24 billion for Ukraine for 2022 and future years.

## **2. UNEMPLOYMENT CLAIMS: HOW LOW CAN CONTINUING CLAIMS GO?**

[Initial claims for unemployment insurance](#) (UI) remained relatively flat, decreasing by just 2,000 to 184,000, for the week ending April 26 (last week’s claims were revised up by 1,000). Continuing claims, which are lagged by one week, fell again, by 58,000 to 1.42 million. This level is the lowest since February 1970,

according to data from the Bureau of Labor Statistics. Anecdotally, employers are experiencing labor shortages across all industries of the economy. Continuing UI claims (on a one-week reporting lag) also dropped by 67,000 to 1.35 million.

### **3. POWELL SIGNALS MORE INTEREST RATE INCREASES**

On April 21, Federal Reserve Chairman *pro tempore* Jerome Powell indicated that more [interest rate increases](#) are coming with the next being as soon as May. During a panel discussion hosted by the International Monetary Fund, Powell shared his view that rate increases should happen more quickly and that “front-end loading” the removal of stimulus by shrinking the Fed balance sheet is warranted. The Fed next meets May 3 and 4. If it does raise rates again at this meeting, it will be the first time since 2006 that the Fed has raised rates in back-to-back meetings. A half-point increase, which is widely expected, would be the first such increase since 2000. The Fed is walking the tightrope of trying to rein in inflation without pulling the economy into a recession, but bringing price stability back to the economy remains the primary goal. Also this week, [mortgage rates](#) rose above 5% for the first time since 2011 after increasing for seven straight weeks. Rates are currently more than 2 percentage points higher than this time last year. This comes with the news of [median home prices](#) reaching a new record of \$375,000 in March. Whether this combination will continue to slow the hot housing market remains to be seen. Existing home sales in March fell 2.7% from the previous month and 4.5% from a year earlier.

### **4. CLIMATE IMPACT REVIEW OF NEW INFRASTRUCTURE PROJECTS REINSTATED**

The White House finalized a [rule](#) will require agencies to assess the climate impact of new roads, pipelines and other infrastructure under the National Environmental Policy Act, a 1970 law that required the government to assess the environmental consequences of federal actions. This rule [reverses changes made in 2020](#) that exempted review for many projects to speed up the approval process. “Patching these holes in the environmental review process will help projects get built faster, be more resilient, and provide greater benefits — to people who live nearby,” Brenda Mallory, chair of the White House’s Council on Environmental Quality, said in a statement. Opponents of the rule are likely to cite effects of increased cost and slower construction.

### **5. FEDERAL HIGHWAY CLIMATE FUNDS RELEASED**

The Administration is ramping up release of materials relating to implementation of the infrastructure law. On Thursday, the Transportation Department’s Federal Highway Administration (FHWA) issued [guidance](#) for \$6.4 billion in funds for states for the new Carbon Reduction Program, to be spent over the next five years. States can use the funds in a variety of ways to expand transportation options or take steps that will reduce carbon dioxide from highway sources. States have broad discretion in how the funds will be used within that parameter, for instance supporting trails for bicyclists and pedestrians, the deployment of alternative fuel vehicles, and “projects that support congestion pricing and travel demand strategies; truck stop and port electrification systems to reduce the environmental impacts of freight movement and carbon dioxide emissions at port facilities; and public transportation projects such as the construction of bus rapid transit corridors or dedicated bus lanes. Micro-mobility and electric bike projects, including charging infrastructure, may also be eligible.” States will also have to submit annual reports on their carbon reduction strategies, which will include descriptions of the use of the funding. FHWA also issued a more detailed [fact sheet](#) about the new program. Thus far this fiscal year, FHWA has sent \$52.5 billion to states for the broader Federal-aid Highway Program, under an allocation formula determined by Congress.

## **6. REVISIONS TO FUEL ECONOMY STANDARDS FOR PASSENGER VEHICLES**

The National Highway Traffic Safety Administration (NHTSA), on behalf of the Department of Transportation, is finalizing [revised fuel economy standards](#) for passenger cars and light trucks for model years (MYs) 2024-2025 that increase at a rate of 8 percent per year, and increase at a rate of 10 percent per year for MY 2026 vehicles. NHTSA currently projects that the revised standards would require an industry fleet-wide average of roughly 49 miles per gallon in MY 2026 and would reduce average fuel outlays over the lifetimes of affected vehicles that provide consumers hundreds of dollars in net savings. The goal being to improve energy conservation and the Nation's energy dependence on foreign sources. The rule will be formally published on May 2.

## **7. USDA RELEASES FUNDING FOR RURAL SCHOOLS**

The Agriculture Department announced the distribution of more than \$238 million in funding for the Secure Rural Schools program, which was reauthorized in the recent infrastructure law. The program provides critical funding for schools, roads, and other municipal services to more than 700 counties across the U.S. and in Puerto Rico. Nearly one-third of public schools in the US live in rural areas, according to the National Center for Education Statistics, and approximately 9.3 million children attend rural schools. While distinguished for being close-knit, rural schools often face unique challenges, including student transportation, teacher recruitment and retention, internet access, and serving students with special needs. The smaller population also yields minimal tax revenue which leads to restricted school budgets. Historically, some rural areas have benefited from timber sales revenue to supplement school budgets; however, declining sales over the past few years have further strained rural resources. After decades of declining revenue, Congress enacted the Secure Rural Schools and Community Self Determination Act to help stabilize the funds available to rural counties.

## **8. MORE STUDENT LOAN FORGIVENESS COMING**

On April 19, the Administration announced a new initiative to expand student loan forgiveness. The [Department of Education will cancel loan debt](#) for at least 40,000 borrowers immediately under the Public Service Loan Forgiveness Program. Thousands of borrowers with older loans will also receive forgiveness through income-driven repayment (IDR) forgiveness, while another 3.6 million borrowers will receive credit toward IDR forgiveness.

The revisions to borrowers' accounts are an attempt to compensate for "longstanding failures of how the agency and its contracted loan servicers managed IDR programs." Specifically, Secretary of Education Miguel Cardona directed the Federal Student Aid (FSA) office to conduct a one-time revision of IDR payments to address past inaccuracies, in which any month in which borrowers made payments will count toward IDR and payments made prior to consolidation on consolidated loans will also count. Any borrower who has made the required number of payments for IDR forgiveness based on this payment-count revision will receive loan cancellation automatically. Second, the Department will reform IDR tracking so that it and its loan servicers will accurate records of borrowers' progress toward forgiveness through IDR plans. FSA will issue new guidance to student loan servicers to ensure accurate and uniform payment counting practices. In 2023, FSA will begin displaying IDR payment counts on [StudentAid.gov](#) so borrowers can view their progress after logging into their accounts. The Department will begin implementing these changes immediately.

## **9. CANOLA OIL IN THE RENEWABLE FUEL STANDARD**

The Environmental Protection Agency published a proposed rule requesting comments on the “lifecycle greenhouse gas (GHG) emissions associated with certain biofuels that are produced from canola/rapeseed oil,” including biodiesel, jet fuel, heating oil, and other fuels produced using the oil. EPA tentatively concludes that the GHG emissions from these fuels do qualify for the 50 percent emissions reduction threshold for advanced biofuels that would qualify them for inclusion in the Renewable Fuel Standard program. Comments on the rule are due by May 18.

## **10. FRENCH PRESIDENTIAL ELECTION DEBATE**

French President Emmanuel Macron and *Rassemblement National* (National Rally) candidate Marine Le Pen faced off in their only [campaign debate](#) on April 20. At the time of the debate, Le Pen was about eight percentage points behind Macron, a narrow margin compared to when the two faced off five years ago. Le Pen maintains that she is more in touch with the concerns of the French people while Macron touted the trust the French people put in him to carry the nation through the pandemic and highlighted his record on the economy, which has been a dominant theme in the election. Polls since the first round of the election on April 10 show a slight advantage for Macron, but this rematch election will almost certainly be tighter than in 2017, when Macron won decisively, and the number of abstentions may influence the result.

## **11. REVISED BOTTLED WATER STANDARD**

Your bottled water may be changing. FDA is adopting a [rule](#) to reduce the amount of fluoride in bottled water to which fluoride is added to 0.7mg/l, in contrast to the current levels of between 0.8-1.7mg/l. Bottled water straight from the source is exempt. This new standard would bring fluoride levels in line with those adopted by the Public Health Service in 2015 for community water systems.

## **12. PANDEMIC NEWS**

On April 18, a federal judge in Florida [struck down](#) the federal mandate for masks on airplanes and other public transportation, ruling that it exceeded the statutory authority of the Centers for Disease Control and Prevention (CDC). Many [airlines](#) immediately made masks optional on aircraft. At a news conference Monday, White House press secretary Jen Psaki called the decision “disappointing” and noted that the CDC still recommends travelers wear face coverings. Even without the ruling, the mandate would have expired May 3 unless extended. The Administration is appealing the ruling, noting the potential impact to CDC’s broader authorities to issue public health notices. In response, Los Angeles County [reinstated](#) its mask mandate for public transit and transportation, including LAX.

The CDC updated its [Travel Health Notice](#) system for international destinations, reserving its highest-risk category for extreme circumstances. “To help the public understand when the highest level of concern is most urgent, this new system will reserve Level 4 travel health notices for special circumstances, such as rapidly escalating case trajectory or extremely high case counts, emergence of a new variant of concern, or healthcare infrastructure collapse,” the agency said in a [statement](#) last week. The agency will continue to determine the three lower-level warnings principally by 28-day [coronavirus](#) incidence or case counts. “With this new configuration, travelers will have a more actionable alert for when they should not travel to a certain destination (Level 4), regardless of vaccination status, until we have a clearer understanding of the COVID-19 situation at that destination,” the statement continued. More than 100 countries, including the UK, Australia, Canada, and France, remain on the “Level 3” list. The

CDC [recommends](#) travelers to be current on COVID-19 vaccinations before traveling abroad. The updated system went into effect on April 18.

Also this week, the CDC announced the launch of the [Center for Forecasting and Outbreak Analysis \(CFA\)](#) which “seeks to enhance the ability to use data, models, and analytics to enable timely, effective decision making in response to public health threats.” The hope is to improve outbreak response and provide insight on public health events to inform individual decision making and is being dubbed “the equivalent of the National Weather Service for infectious diseases.”

### 13. COUNTRY SPOTLIGHT: AUSTRALIA

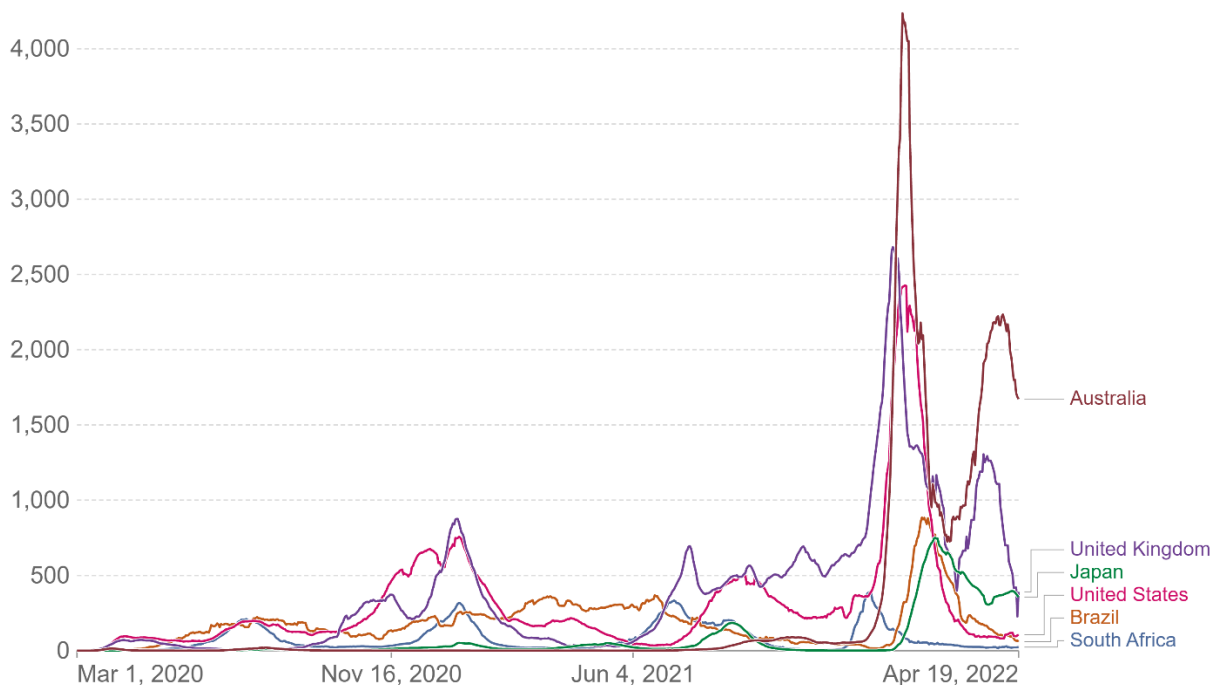
Australian health authorities are on high alert after the identification of a hybrid Omicron variant known as [Omicron XE](#). Omicron XE is a combination of Omicron BA.1 and BA.2 and is thought to be highly contagious. Since the variant was first identified in the UK on January 19, over 1,100 cases of XE have been [confirmed](#) in the UK. The first confirmed case of XE in Australia was detected on April 9 in an overseas traveler who tested positive upon arrival in New South Wales. The arrival of XE in Australia comes just as mandatory negative COVID tests for international travels have been lifted, prompting concern for the further spreading of variants. (The variant has also been detected in [Japan](#), though it is not yet giving rise to concern there.)

On Monday, a [cruise ship](#) docked in Sydney Harbour for the first time in over two years. Before the pandemic, the cruise industry was worth an equivalent of 3,841,997,400 USD.

#### 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  
in Data



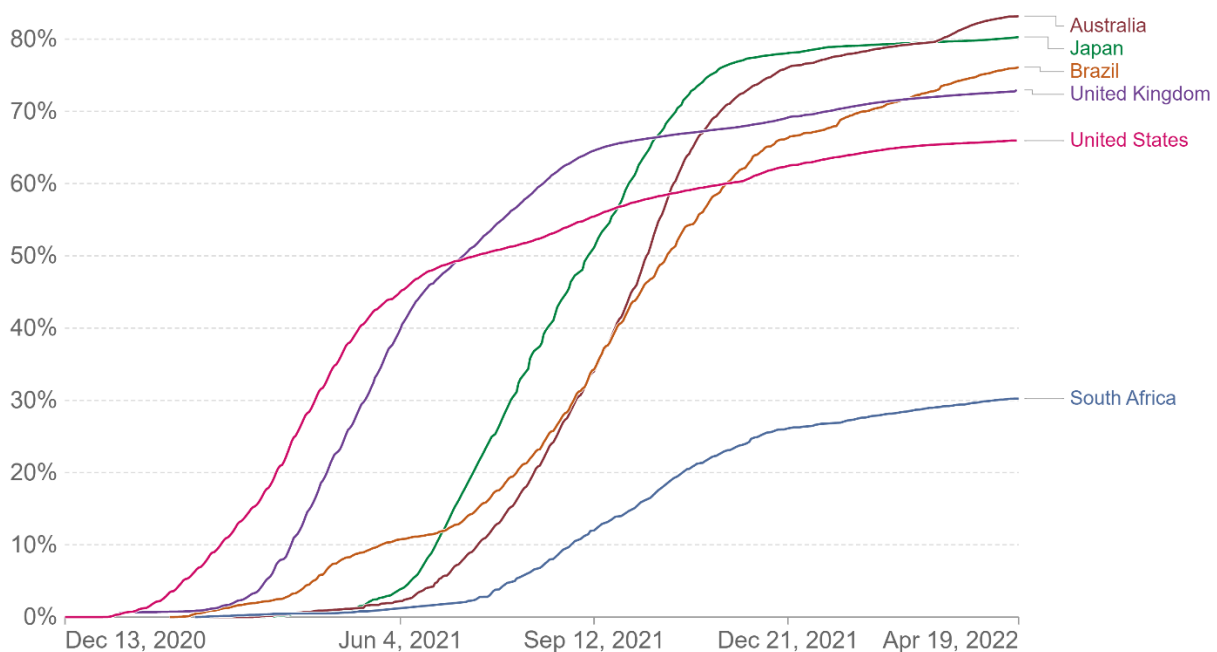
Source: Johns Hopkins University CSSE COVID-19 Data

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Australia has suffered more than double the COVID-19 deaths in 2022 than in 2020 and 2021 [combined](#). As of April 18, 6,786 people have died of COVID-19; of these deaths, 4,547 occurred in 2022 – more than double the [2,239](#) deaths recorded in 2020 and 2021. Australia maintained a COVID-zero strategy throughout most of the course of the pandemic, [abandoning](#) it late last year amid the highly transmissible Delta variant and growing vaccination rates. Australia's strategy, comprising of city and state-wide lockdowns enacted sometimes over a single case, is responsible for the country's very low case and death rates during the first two years of the pandemic. Despite the climbing death toll, restrictions in the country are to be eased even further, as Victoria and New South Wales prepare to scrap their [isolation requirements](#) for close contacts. On Wednesday, New South Wales premier Dominic Perrottet announced that starting Friday, individuals who live with positive cases or are deemed close contacts will no longer have to quarantine for seven days, as long as they have no symptoms. Victoria premier Daniel Andrews said on Tuesday that the state's isolation rules and restrictions are [no longer needed](#), and proof of vaccination will not be required to enter entertainment venues.

### Share of people who completed the initial COVID-19 vaccination protocol

Total number of people who received all doses prescribed by the initial vaccination protocol, divided by the total population of the country.



Source: Official data collated by Our World in Data

Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.

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