

CED Public Policy Watch
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1. DEVELOPMENTS ON UKRAINE

The European Union [approved](#) formal candidate status for Ukraine, just four months after it applied. While actual negotiations for membership are some way off, the political signal is clear. In a reference to former President Viktor Yanukovich stopping Ukraine from signing an association agreement with the EU, which sparked the Maiden protests and the collapse of his pro-Russian government, European Commission President Ursula von der Leyen [stated](#) that the Commission “acknowledges the immense progress that [Ukrainian] democracy has achieved since the Maiden protests of 2014 [.]” Ukraine’s Foreign Minister Dmytro Kuleba said that the decision helps “draw a line under decades of ambiguity and set it in stone: Ukraine is Europe, not part of the ‘Russian world.’”

The path forward to full membership will not be easy. Dutch Prime Minister noted that the Commission had prepared a “tough assessment, brutally honest with Ukraine” on the steps necessary for actual membership talks but noted that “[t]he geopolitical situation since the end of February, the horrible and completely despicable aggression of Russia against Ukraine [was] part of the situation” in favor of Ukraine’s candidacy. German Chancellor Olaf Scholz [called](#) for reform of EU institutions before admitting new members, including more majority voting. Moldova also received candidate status, and Georgia received an acknowledgement of its “European perspective,” a step below candidate status, because of EU concerns over the rule of law and press freedom there.

On the military front, fierce and “[extremely difficult](#)” fighting is taking place in Luhansk in eastern Ukraine, as Russian troops advanced through villages near Lysychansk amidst extensive shelling. Three cruise missiles [hit](#) the southern Ukrainian port city of Mykolaiv; two missiles were fired towards Odesa but shot down by Ukrainian air defense systems.

NATO Secretary General Jens Stoltenberg [told](#) a German newspaper that “[w]e need to be prepared for [the war] to last years” and called on allies “not to weaken support for Ukraine, even if the costs are high, not only in terms of military aid, but also because of the increase in energy and food” prices.

Chancellor Scholz [said](#) Germany would continue to supply Ukraine with weapons “for as long as Ukraine needs our support” and also promised continued support for the Baltic states. Scholz added that “sanctions do work. Yes, these sanctions are hurting ourselves as well. They hurt our companies, but they are right.” The US will also [send](#) \$450 million worth of new military equipment to Ukraine, including new HIMARS multiple launch rocket systems; some US HIMARS from an earlier aid package have also now arrived. Australia [has sent](#) four of a promised 14 armored personnel carriers to Ukraine.

A [report](#) from China’s customs agency showed that China’s imports of Russian oil increased 55 percent year-over-year in May and that Russia is now China’s largest supplier of oil, replacing Saudi Arabia. Total Chinese imports from Russia were nearly 2 million barrels per day, up from 1.59 million barrels per day in April. Russia has discounted sales of oil by up to 39 percent to China and other customers following Western sanctions.

India is also contributing to the surge in demand for Russian oil from Asia, which is compensating for the decrease in sales from Europe. In fact, India accounts for most of the increase in oil to Asia with having imported very little Russian oil prior to the Russian invasion of Ukraine to more than 766,000 barrels a day, [according](#) to Kpler, a market research firm.

Fatih Birol, Executive Director of the International Energy Agency, [suggested](#) that “Europe should be ready in case Russian gas is completely cut off,” adding that “I believe the cuts are geared towards avoiding Europe filling storage, and increasing Russia’s leverage in the winter months.” [Currently](#), Germany’s storage facilities are only half full. Birol also predicted “more and deeper demand measures as winter approaches,” encouraging countries to take additional steps to reduce consumption now and to keep nuclear plants operating.

Norway, Europe’s biggest gas producer, [agreed](#) to supply more gas to EU countries in both the short- and long-term in response to cuts in Russian supplies. Prior to the war, Europe received 40 percent of its gas from Russia and 20 percent from Norway; Norway is planning to increase exploration as well as promote renewable energy efforts with the EU. Germany will [limit](#) natural gas use for electricity production, temporarily switching to coal in response to diminishing supplies from Russia. German Minister for Economic Affairs and Climate Action Robert Habeck, a member of the Green Party, [described](#) the shift to coal use for electricity production as “bitter, but in this situation it’s almost necessary to reduce gas consumption. We must and we will do everything we can to store as much gas as possible in summer and autumn. The gas storage tanks must be full in winter. That has top priority.” He added that “it’s obviously Putin’s strategy to **unsettle us**, drive up prices and divide us. We won’t allow that. We defend ourselves resolutely, precisely and thoughtfully.” Germany is also reportedly considering an auction system to reduce gas demand.

Russia and Lithuania are [disputing](#) Lithuania’s enforcement of EU sanctions against Russia on some goods transiting Lithuania on the only railroad line to the Russian exclave of Kaliningrad on the Baltic. In response, the Russian Foreign Ministry said “Russia reserves the right to take actions to protect its national interests.” The UK Government [banned](#) exports of jet fuel and British and European banknotes to Russia as well as provision of financial services.

Discussions continued on reaching an agreement to permit export of Ukrainian grain from Black Sea ports. Ukraine [noted](#) that “security remains a key element” of any agreement, even as it wishes to begin exports as quickly as possible. Turkey said it held a “constructive” meeting with Russia leading to “an

understanding for future negotiations between Turkey, Russia, Ukraine, and the UN.” European Union foreign and security policy head [called](#) Russia’s blockade of the ports “a real war crime.” Hungary offered to assist with grain exports by land from Ukraine. The governor of Ukraine’s Luhansk oblast [claimed](#) that farmers in Russian-occupied areas are being paid less than half for their crops (and in rubles rather than Ukrainian hryvnia), raising fears that farmers would not have enough money to plant next year’s crop; the governor said “it is impossible to carry out a sowing campaign for the 2023 harvest with these funds.” The head of the Global Fund to Fight AIDS, Tuberculosis and Malaria [predicted](#) higher deaths from disease in coming months, stating “the combined impact of infectious diseases and the food shortages and the energy crisis” could lead to “millions of extra deaths [.]”

2. UNEMPLOYMENT INSURANCE CLAIMS HOLD STEADY

Initial claims for unemployment insurance (UI) ticked down by 2,000 to 229,000 for the week ending June 18 (last week’s claims were revised up by 2,000 to 231,000). Initial claims have remained within a tight range for three consecutive weeks. Continuing claims, reported on a one-week lag, also remain relatively steady and low at 3.12 million, decreasing by 5,000.

3. PROPOSED GAS TAX HOLIDAY

The President [proposed](#) a three-month gas tax holiday from the current Federal gas taxes (18c/gallon for gasoline and 24c/gallon for diesel fuel). The proposal is controversial and will likely face [difficulty](#) in Congress, particularly because the gas tax directly supports the Highway Trust Fund, the major source of funding for federal roads and bridges. But the Administration [maintains](#) “we can afford to suspend the gas tax to help consumers while using other revenues to make the Highway Trust Fund whole for the roughly \$10 billion cost.” The President’s call for Congressional action is in addition to other recent efforts to ease rising gas prices including releasing [significant amounts](#) from the Strategic Petroleum Reserve and encouraging producers to [increase](#) drilling.

4. EPA REVISIONS TO GREENHOUSE GAS RULE

EPA [issued](#) a proposed rule to amend some provisions in its [Greenhouse Gas Reporting Rule](#) “to improve the quality and consistency of the data collected under the rule,” including “incorporating updates to existing emissions estimated methodologies and providing for collection of additional data to understand new source categories or new emissions sources for specific sectors.” The scope of the applicability of the Rule is wide: entities subject to the reporting program include electrical power generators and “general stationary fuel combustion” sources including factories, refineries, and petroleum producers, pipelines, and electronics manufacturers.” Comments are due by August 22.

5. ELECTRIC VEHICLE CHARGING STATIONS

The Department of Transportation’s Federal Highway Administration (FHWA) published a [proposed rule](#) on Wednesday on standards to set up a “convenient, affordable, reliable, and equitable network of [electric vehicle, EV] chargers throughout the country,” including funding to states for this purpose. Noting the absence of national standards and the “wide disparities” among charging stations on such features as “operational practices, payment methods, site organization, display of price to charge, speed and power of chargers, and information communicated about the availability and functioning of each charging station,” FHWA is seeking to adopt uniform standards under Section 11129 of the Bipartisan Infrastructure Law enacted last year. In particular, Federally-funded charging stations would have an

interoperability standard capable of being “utilized by all EVs regardless of brand” to avoid the [current disparity among charging stations](#) and reduce current problems with reliability of charging stations ([one study found](#) that one-quarter of charging stations were non-functional). Comments on the proposed rule are due August 22.

6. VEHICLE EVENT DATA RECORDERS

The Department of Transportation issued a [proposed rule](#) changing the standard for Event Data Recorders, including those in cars and trucks, from a “recording period for timed data metrics from 5 seconds of pre-crash data at a frequency of 2 Hz to 20 seconds of pre-crash data at a frequency of 10 Hz” (in other words, from two samples per second to ten samples per second, thus increasing the number of data samples from 10 to 200). DOT is acting under authority from the 2015 Fixing America’s Surface Transportation Act; the new standards were developed from working with crash researchers at Virginia Tech and are designed to “capture the initiation of crash avoidance maneuvers by the driver, if any, to better determine causation.”

7. CYBER SECURITY BILLS SIGNED INTO LAW

This week, the President signed [two new cybersecurity bills](#) to promote efforts to bolster cyber resiliency. The State and Local Government Cybersecurity Act is aimed at improving cyber security coordination and communication between the Department of Homeland Security (DHS) and state and local governments. The bill requires DHS to share security tools and protocols with state, local, tribal, and territorial governments. The second bill aims at strengthening the federal cyber security workforce, a solution promoted in CED’s June Solutions Brief “[Securing Cyberspace in an Era of Evolving Threats.](#)” The Federal Rotational Cyber Workforce Program establishes a process for cyber security professionals to rotate through various federal agencies to build up their expertise and experience. Importantly, the bill also increases visibility of open cyber security jobs by requiring the Office of Personnel Management to distribute lists of open positions in the program to government employees annually.

8. FRENCH LEGISLATIVE ELECTIONS

President Emmanuel Macron’s *Ensemble!* (Together) alliance won the most seats (245) in the [legislative elections](#) on June 19 but fell short of a majority. A left alliance of Greens, Socialists, and others (NUPES) under Jean-Luc Mélenchon won 131 seats, while Marine LePen’s rightist Rassemblement National came in with an unexpectedly strong 89 seats. Macron’s natural path would be to seek a coalition with the smaller center-right grouping Les Républicains (61 seats) or with the considerably smaller center-right Union des Démocrates et Indépendants, but they have been unwilling thus far to give Macron a majority; Christian Jacob of Les Républicains [stated](#) that “[w]e campaigned as the opposition, we are the opposition, we will remain the opposition.” The results [cast into doubt](#) Macron’s ambitious economic reform agenda, including reforms on the retirement age and welfare benefits. Macron has not yet decided whether to replace Prime Minister Elisabeth Borne, who was reelected in Normandy, with a candidate more acceptable to the center-right.

9. COLOMBIAN PRESIDENTIAL ELECTION

Former mayor of Bogotá Gustavo Petro [won a runoff election](#) and will be Colombia’s first president from the left. Vice President-elect Francia Márquez will be the first Afro-Colombian to hold national office.

Petro campaigned on a [platform](#) including making so-far undefined changes to trade agreements, particularly on agriculture, focusing on crop substitution rather than drug eradication, and banning new oil exploration in a new focus on climate change. Petro's election continues a trend to the left in recent Latin American elections including in Chile and Peru, with the possibility the left may come back in Brazil this fall if former President Luis Inácio Lula da Silva beats current President Jair Bolsonaro.

10. AFFORDABLE CONNECTIVITY PROGRAM

The FCC has launched the Affordability Connectivity Program, which the Bipartisan Infrastructure Law expanded from an emergency broadband benefit to a longer-term program. As a part of this, FCC is [seeking comment](#) on the collection of broadband price and subscription rates, as required by the BIL, proposing that the rate for "monthly charge for the internet service offering" is that a household would be charged without the benefit. This is an essential step in the implantation of the program and determining eventual levels of subsidy. Comments on the proposal are due July 25. In related news, New York's Public Service Commission [issued](#) its broadband map showing that 97.4% of New Yorkers have access to broadband, but affordability remains a concern for many.

11. 5G NEAR AIRPORTS DELAYED AGAIN

Under an agreement with the Federal Aviation Administration, Verizon and AT&T will [delay](#) some 5G network deployments near airports until next summer, which will give airlines additional time to retrofit radio altimeters to avoid interference with ground-based 5G systems, particularly at takeoff and landing. The original deadline had been July 5 of this year.

12. PANDEMIC NEWS

Vaccinations for children between 6 months and 5 years began this week. Florida originally declined to order the pediatric vaccines but [later permitted](#) pediatricians and other health providers to do so, although state and local public health departments are not administering vaccines to children younger than 5. Walmart, Walgreens, Sam's Club, and Winn-Dixie have [limited vaccines](#) to children 3 or over; CVS has set a lower limit of 18 months for vaccinations.

A [study](#) published Wednesday in *The Lancet Child & Adolescent Health* found that children who had recovered from COVID-19 were [more likely](#) to suffer from symptoms such as headaches, mood swings, and stomach problems than children who never tested positive for the virus. The study included 44,000 children in Denmark aged zero to fourteen years who tested positive for COVID-19 between January 2020 and July 2021. Symptoms differed by age group, with children up to three years experiencing mood swings, rashes, and stomach aches, and children aged twelve to fourteen years experiencing memory and concentration problems and fatigue. The findings supports previous research; a [2021 study](#) suggested that over half of children between the ages of six and sixteen had at least one symptom that lasted more than four months.

For adults, a recent longitudinal [study](#) from the University of California San Diego found that most sufferers of long COVID battle [brain-related issues](#). The study recruited 56 individuals with neurological symptoms into the study between October 2020 and October 2021. When participants returned for their six-month follow-up, only one-third reported complete resolution of symptoms. The other two-thirds of participants reported persistent neurological symptoms, though most had diminished in severity. Seven percent of participants displayed a never-before-seen set of symptoms that included

cognitive deficits, tremor, and difficulty balancing. The authors labeled the phenotype Post-Acute Sequelae of COVID-19 infection with Tremor, Ataxia and Cognitive deficit (PASC-TAC). “These are folks who had no neurological problems before COVID-19, and now they have an incoordination of their body and possible incoordination of their thoughts,” said senior author Jennifer S. Graves, MD, PhD. “We didn’t expect to find this, so we want to get the word out in case other physicians see this too.”

Moderna is developing a new version of its COVID-19 vaccine, which the drugmaker says offers [protection against the Omicron variant](#) of the virus, to be ready for public distribution by August. The vaccine, called mRNA-1273.214, is being manufactured ahead of regulatory approval with the hope that its supply will be ready in time for the projected fall and winter case spike. The new [bivalent vaccine](#) is designed to target both the original Omicron variant and the original coronavirus strain. Clinical trial data shows that the new booster candidate is highly effective against the BA.4 and BA.5 Omicron subvariants of the virus, which Moderna CEO Stéphane Bancel said in a statement “represent an emergent threat to global public health.”

Japanese authorities [delayed](#) a decision on approving Shionogi’s COVID-19 pill until next month; while data showed that the drug reduced the amount of virus in patients, it apparently did not relieve symptoms. Safety concerns and the availability of other therapies also mean that the drug may not qualify under Japan’s new emergency use authorization procedures.

New [research](#) published in *The New England Journal of Medicine* found that levels of neutralizing antibodies from a previous infection or vaccination are several times lower against BA.4 and BA.5 compared with the original coronavirus. However, vaccination is still expected to offer strong protection against severe disease. “Our data suggest that these new Omicron subvariants will likely be able to lead to surges of infections in populations with high levels of vaccine immunity as well as natural BA.1 and BA.2 immunity,” wrote Dr. Dan Barouch, an author of the study. “However, it is likely that vaccine immunity will still provide substantial protection against severe disease with BA.4 and BA.5.”

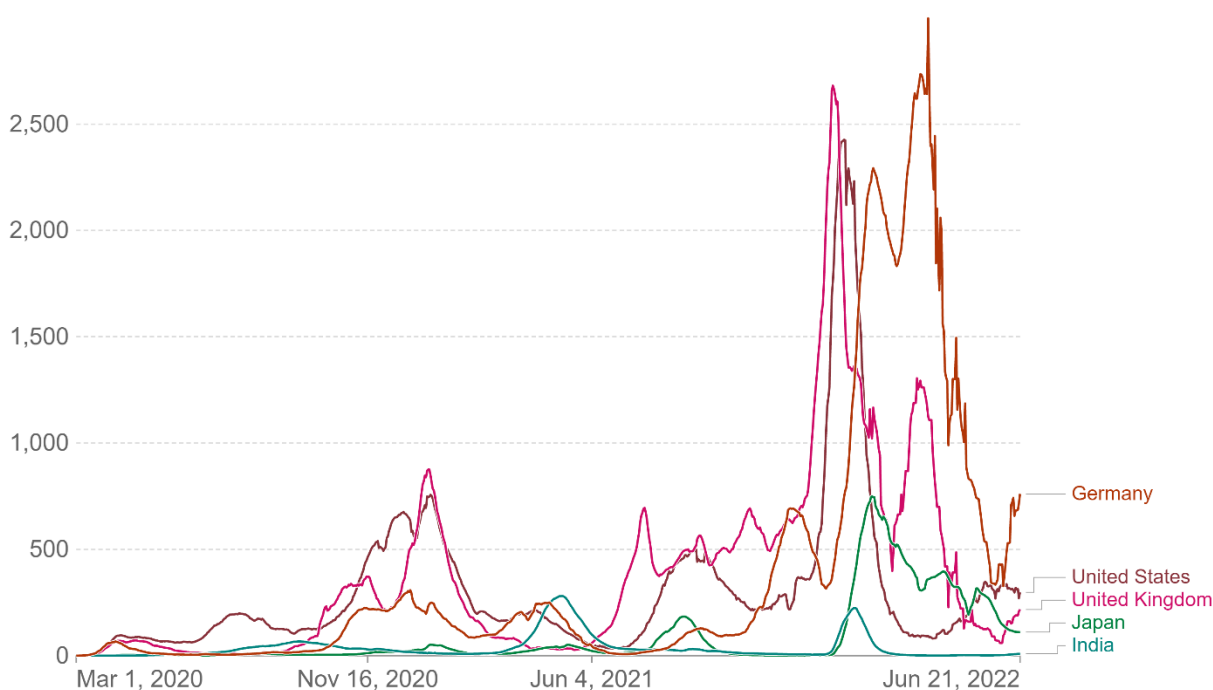
The World Health Organization is reportedly [considering](#) declaring monkeypox, which has now spread to over 40 countries, as a global health emergency.

13. COUNTRY SPOTLIGHT: UNITED KINGDOM

COVID-19 infections are soaring in the UK at the community level, according to a [Coronavirus Infection Survey](#) published on June 17. The survey measures the percentage of people testing positive for the virus in private residential households throughout the UK. The swabs collected from the randomly selected households revealed that in the week ending on June 11, an estimated one in 50 people [in the community](#) in England have COVID-19. The results are even higher throughout the rest of the UK, at one in 45 in both Wales and Northern Ireland, and one in 30 in Scotland in the week ending on June 10. Just a week before, one in 70 people in England were thought to have COVID-19. Experts point to the rise of Omicron variants BA.4 and BA.5 as cause for such a quick spike in cases. Professor Azra Ghani, an epidemiologist at Imperial College, London, said the latest figures were not surprising and might rise further. “This increase in infection prevalence is likely due to the growth of the BA.4 and BA.5 Omicron subvariants, which as we have seen elsewhere in Europe, appear to be able to escape immunity generated from previous Omicron subvariants.” Hospital admissions for COVID-19 patients have grown in England, prompting fear that the BA.4 and BA.5 subvariants of Omicron are more dangerous than once believed. Scientists fear the subvariants have evolved to [target the lungs](#), making them similar to the more deadly Alpha and Delta variants.

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.



Source: Johns Hopkins University CSSE COVID-19 Data

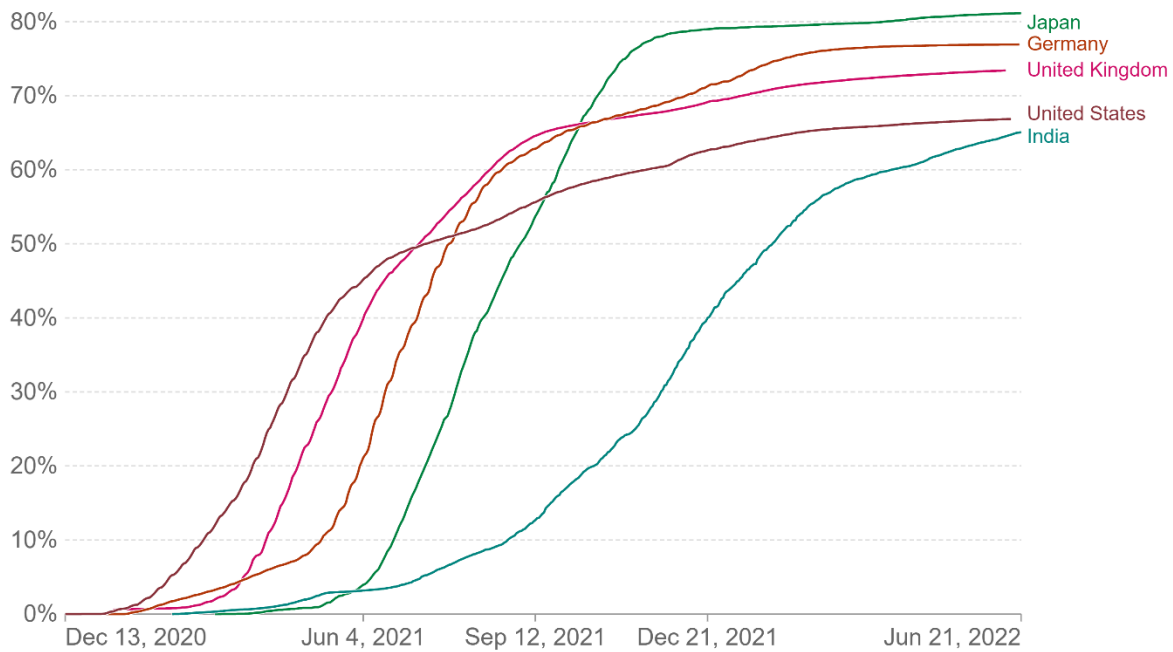
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National Health Service patients will soon have access to the next generation of vaccines and treatment, as Moderna sets out to build a state-of-the-art [research and manufacturing center](#) in the UK. Moderna's new mRNA Innovation and Technology Centre will develop cutting edge mRNA vaccines for a variety of respiratory diseases, including COVID-19, endorsing the UK as an innovation superpower. The Centre will build on the already strong strategic partnership between the UK government and Moderna. Moderna worked closely with the vaccine taskforce at the height of the vaccine rollout, and the company plans to expand its presence in the UK through investments in research and development. "Our new partnership with Moderna will cement the UK's status as a science superpower, significantly boosting the economy and creating jobs – and it has the potential to unlock the next generation of cutting-edge vaccines to fight diseases such as COVID-19, seasonal flu and RSV [respiratory syncytial virus]," said UK Health and Social Care Secretary Sajid Javid.

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.

Our World
in Data



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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