

***CED Public Policy Watch  
Weekly News Round-up  
November 11, 2022***

1. DEVELOPMENTS ON UKRAINE
2. CPI RISES 0.4 PERCENT IN OCTOBER
3. EMPLOYMENT SITUATION: ROBUST JOB GROWTH CONTINUES
4. INITIAL UNEMPLOYMENT CLAIMS RISE BY 7,000
5. US MIDTERM ELECTIONS
6. CLIMATE CONFERENCE OPENS IN EGYPT
7. CHINA-US INFORMAL DIALOGUE AT CLIMATE SUMMIT
8. COMMENTS OPEN ON US CLIMATE ASSESSMENT
9. FTC UNFAIR TRADE RULE ON FEES
10. ENERGY DEPARTMENT ANNOUNCES INFLATION REDUCTION ACT FUNDS
11. SOME BUY AMERICAN WAIVERS EXPIRE UNDER IIJA
12. MONKEYPOX UPDATES
13. PANDEMIC NEWS
14. COUNTRY SPOTLIGHT: POTENTIAL FOR US “TRIPLEDEMIC”

**1. DEVELOPMENTS ON UKRAINE**

**Ukrainian advance towards Kherson:** President Zelensky said that Ukraine is “[gradually moving forward](#)” in the south and east, while Russia [appears](#) to be moving towards a more defensive posture in the south around Mariupol and Kherson, including building “dragon’s teeth” obstacle barriers (pyramid-shaped concrete blocks to slow military vehicles). But their purpose is unclear: one British analyst said the “big question in Ukraine is whether these obstacles have been designed and placed primarily for their military effect, or if they are purely there for a political narrative back in Russia” (to show Russians that they are not abandoning major cities). Russia, however, then [announced](#) a withdrawal from Kherson, with its forces leaving the west side of the Dnipro river to “save the lives of our soldiers and the fighting capacity of our units,” including sending them to “other fronts,” according to Russian commander Gen. Sergei Surovikin. However, Ukrainian authorities are currently [reluctant](#) to advance to the city, fearing a possible trap and [suggested](#) that some Russians may remain in Kherson.

**Military developments:** The US [agreed](#) to refurbish T-72 tanks from the Czech Republic and provide missiles for Hawk air defenses, for an additional \$400 million worth of security assistance for Ukraine. However, the US [declined](#) to supply advanced Grey Eagle MQ-1C drones, fearing escalation of the war by possibly permitting Ukraine to target positions inside Russia. Chairman of the Joint Chiefs of Staff Mark Milley [estimated](#) that there have been “well over 100,000 Russian soldiers killed and wounded,” with the “same thing probably on the Ukrainian side,” as well as up to 40,000 Ukrainian civilians killed.

**Discussion of negotiations:** The *Washington Post* [reported](#) that the US had privately asked Ukraine to signal it is open to negotiations with Russia to help with concerns expressed in Europe, Latin America, and Africa about the effects of a prolonged war. One anonymous US official was quoted as saying that “Ukraine fatigue is a real thing for some of our partners.” Ukraine responded publicly that its position has not changed; presidential adviser Mykhailo Podolyak said that Ukraine will negotiate only once

Russia leaves all Ukrainian territory, that it would be “nonsense” to negotiate now since Ukraine is winning, and that the US has not coerced Ukraine. Italian newspaper *La Repubblica* [reported](#) that some NATO countries thought negotiations could begin after Ukraine retakes Kherson.

**US-Russia negotiations:** The *Wall Street Journal* [reported](#) that National Security Adviser Jake Sullivan held confidential talks with Russian officials about nuclear threats and the potential for escalation of the war. While the Kremlin did not comment on that report, Russian newspaper *Kommersant* [reported](#) that the US and Russia are considering holding talks on strategic nuclear weapons for the first time since the invasion. NATO Secretary General Jens Stoltenberg [said](#) he does not believe Russia will use a nuclear weapon in Ukraine.

**Iran admits supplying drones:** Iran [said](#) that it supplied a “small number” of drones to Russia but claimed they were sent before the invasion of Ukraine. However, Ukraine [claimed](#) it had evidence that at least some drones were supplied after the invasion. Russia and Iran [pledged](#) to increase their military cooperation.

**India-Russia meeting:** Indian Foreign Minister S. Jaishankar [met](#) Russian Foreign Minister Sergei Lavrov in Moscow. Jaishankar said that “[t]his is not an era of war” and that India “strongly advocates a return to dialogue and diplomacy.” However, Jaishankar also said that India would continue its purchases of Russian oil, which have risen since the war: “It is our fundamental obligation to ensure that the Indian consumer has the best possible access on the most advantageous terms to international markets. So, if it works to my advantage, I would like to keep that going.”

**Grain deal:** The current agreement between the UN, Turkey, Russia, and Ukraine permitting grain exports from some Ukrainian ports expires on November 19. Russia is [reportedly](#) seeking to remove restrictions on the state agriculture bank Rosselkhozbank to assist with Russian grain exports (including permitting direct payments to the bank through Western banks), to permit exports of Russian fertilizer currently blocked in Europe because of sanctions, and to permit exports of ammonia (through a pipeline blocked at the Russia-Ukraine border). For its part, Ukraine [wants](#) the agreement expanded to include exports from more ports and a broader range of goods.

**G-20 Summit:** President Zelensky [accepted](#) the invitation of Indonesian President Joko Widodo to attend the G-20 Summit in Bali; he will likely appear virtually. This is a change from Zelensky’s previous position that he would attend only if Putin did not. President Widodo said President Putin would attend “if the situation is possible” and could also attend virtually.

**Sweden’s NATO accession process:** In an effort to accelerate Sweden’s NATO accession process, new Swedish Prime Minister Ulf Kristersson [visited](#) Turkish President Recep Tayyip Erdoğan and promised action on “countering terrorism and terrorist organizations like the PKK [a pro-Kurdish group] in Sweden.” Erdoğan said that Sweden’s decision to lift an arms embargo on Turkey was a “positive step”; in addition, Sweden has deported four people wanted by Turkey. In June, Turkey [agreed](#) to lift its veto on Sweden and Finland joining NATO but the Turkish Grand National Assembly has yet to ratify the accession protocol; it and Hungary are the only two countries not to have done so.

## 2. CPI RISES 0.4 PERCENT IN OCTOBER

The Consumer Price Index (CPI-U) [rose](#) 0.4 percent in October, for an annual inflation rate of 7.7 percent, the smallest 12-month increase for any period since January, showing more [cooling](#) of inflation than some analysts expected. Shelter contributed more than half of the increase, as gasoline and food prices also increased, with the energy index increasing 1.8 percent (gasoline and electricity rose, but natural gas decreased). The food index increased 0.6 percent. Some indexes, including used cars and trucks, apparel, medical care, and airline fares declined. The Bureau of Labor Statistics also [reported](#) that real average hourly earnings decreased 0.1 percent from September to October, on a seasonally adjusted basis and 2.8 percent, seasonally adjusted, from October 2021 to October 2022. Combined with a decrease of 0.9 percent in the average workweek, this led to a 3.7 percent decline in real average weekly earnings over this period.

The Federal Reserve closely watches Core CPI, which excludes volatile food and energy prices and is thought to be more predictive of future inflation. This index rose 0.3 percent in October, half of September's 0.6 percent increase and the slowest rate of the year. (Over the last twelve months, Core CPI increased 6.3 percent.) Shelter inflation—the largest contributor to September's figure—is measured on a lag from current market conditions, because it measures what customers are currently paying, not what they would pay if their rents were negotiated today. Measures of spot rents are [slowing](#), and CPI will reflect that only later.

## 3. EMPLOYMENT SITUATION: ROBUST JOB GROWTH CONTINUES

The Bureau of Labor Statistics [released](#) its report on the Employment Situation, which presents data on the jobs market from two monthly surveys. Total nonfarm payroll employment increased by 261,000 in October according to the payroll survey, and the unemployment rate rose to 3.7 percent according to the household survey. The 261,000 jobs gained in October followed a gain of 315,000 in September. Most industries reported increases in employment. Leisure and hospitality gained 35,000 jobs (after adding 107,000 jobs last month), with other notable gains reported in health care and social assistance (71,100), professional and business services (39,000), manufacturing (32,000), and wholesale trade (14,600). Job growth is, however, down from its pace in the first half of 2022, which averaged 444,000 jobs a month. The Conference Board's Economy, Strategy and Finance Center [notes](#) some signs that the labor market is cooling: the slowing pace of payroll growth and data from The Conference Board's surveys of consumers and CEOs. These surveys show that households believe that finding jobs has become more difficult, while CEOs believe that attracting quality workers has become less difficult.

## 4. INITIAL UNEMPLOYMENT CLAIMS RISE

The Department of Labor [reported](#) Thursday that initial claims for unemployment insurance, a weekly indicator of labor market health, were 225,000 for the week ending November 5, an increase of 7,000 over the previous week's revised level and the largest jump in several weeks. However, this level of claims is moderate by historical standards and below the July highs of 261,000. The Conference Board's latest economic [forecast](#) shows the unemployment rate rising to 4.3 percent, well above its current level of 3.5 percent, by the second quarter of next year.

## 5. US MIDTERM ELECTIONS

As of 9:00 Thursday morning, [results](#) from the midterm elections show that Republicans hold 206 seats in the House of Representatives, while Democrats hold 183, with 46 not yet declared (mostly as mail-in ballots continue to be counted), for a current Republican gain of 9 seats (218 are needed for control). In the Senate, Democrats and Republicans each hold 48 seats, with races outstanding in Arizona, Nevada, and a runoff in Georgia on December 6. So far, Democrats have flipped one Senate seat (Pennsylvania).

From one perspective, the results were good for Democrats: [historically](#) (1934-2018), the party of the President in power averages a loss of 28 House seats and four Senate seats; this would be the seventh time that the party in power gains a Senate seat if Democrats keep control of the Senate. Using these and other figures, the American Presidency Project at UC Santa Barbara had [written](#) before the election that it expected Democratic losses of 30 seats in the House and 3 in the Senate. Even as Democrats beat expectations, however, the loss of the House of Representatives will make governing more demanding for the Administration for the next two years. Upcoming major issues for the new year include the Federal budget and national debt (the debt ceiling must be raised by sometime next summer, depending on Federal spending and revenues over the next few months).

Republicans now have 24 state governors and Democrats 22, with flips to Democrats in Maryland and Massachusetts and four races undecided (Alaska, Arizona, Nevada, and Oregon). In notable [ballot measures](#), California rejected, by 59-41 percent, an income tax increase on incomes over \$2 million to [fund electric vehicles](#), but Massachusetts [approved](#) a 4 percent surtax on incomes over \$1 million to fund education and transportation. South Dakota voted to [expand Medicaid](#) with nearly 56 percent in favor, becoming the seventh state to expand Medicaid in five years through popular vote. Arizona narrowly [defeated](#) Proposition 309 that would have required in-person voters to show an unexpired photo ID and mail-in voters to submit an affidavit of identity; Nevada rejected, 51.5 to 48.5 percent, switching to ranked choice voting, while Connecticut easily approved allowing early in-person voting.

[Exit polls](#) showed that inflation (31 percent), abortion (27 percent), crime and gun policy (11 percent each), and immigration (10 percent) were the most prominent concerns driving individual votes, while 47 percent said “the economy and jobs” was the most important issue facing the country, with immigration and abortion a distant second at 9 percent each. Men broke Republican (55 percent in AP’s poll, 56 percent in the network exit poll), while more women supported Democrats (49 percent in AP’s poll, 48 percent in the network exit poll). Hispanic support for Democrats fell by about 10 percent, and Asian American support for Democrats fell dramatically from 2018, from about 77 percent to either 64 percent (AP) or 58 percent (network poll). Independent voters comprising about 31 percent of the electorate, split almost evenly between the parties.

The nonpartisan US Elections Project [tracker](#) shows that by the mid-afternoon of Election Day, states recorded a total of 45,920,446 early votes (20,487,803 in person and 25,432,643 by mail). A total of 58,142,486 mail ballots were requested; the current figure shows that 43.7 percent were returned by Election Day (some outstanding ballots may still be counted if they were received before the close of polls or postmarked by Election Day, depending on state law).

## 6. CLIMATE CONFERENCE OPENS IN EGYPT

At the opening of the Conference of Parties to the Paris Agreement meeting in Egypt (COP-27), UN Secretary General António Guterres [focused](#) on efforts by developing countries to obtain financing for addressing loss and damage from climate change and adaptation to climate change, calling it a “moral imperative” and asking for a “roadmap” for \$40 billion in aid per year by 2025 that developed countries had promised at last year’s conference in Glasgow. Guterres raised the bar on aid, stating that adaptation needs alone would grow to more than \$300 billion per year by 2030 and that half of climate change funding “must be focused on adaptation.” Calling for a “historic pact” between developed and developing countries on climate change, Guterres also said that the US and China have “a particular responsibility to join efforts to make this pact a reality,” as currently “[w]e are in the fight of our lives, and we are losing.” French President Emmanuel Macron and Barbados Prime Minister Mia Mottley are [working](#) on a new initiative for climate finance to the developing world.

## 7. CHINA-US INFORMAL DIALOGUE AT CLIMATE SUMMIT

China’s climate envoy Xie Zhenhua held an informal meeting with US climate envoy John Kerry on the margins of the COP-27 climate summit. But Xie [noted](#) China’s position that the US had to take “responsibility” to “clear the barriers” to the resumption of formal climate talks between the countries, which China suspended after House Speaker Nancy Pelosi’s visit to Taiwan this summer. In a positive note, however, Xie added that “[w]e with John Kerry, have a joint effort to support the Egyptian presidency, and have a successful” meeting. On the question of financial aid for developing countries facing damages from climate change, Xie said that China is “supportive,” adding that “[t]here is not an obligation on China [to contribute funds] but we are willing to make our contribution . . . Our attitude is very supportive and understanding.”

## 8. COMMENTS OPEN ON US CLIMATE ASSESSMENT

The National Oceanic and Atmospheric Administration (NOAA) published a [Request for Comments](#) on the draft of the Fifth National Climate Assessment. The Global Change Research Act of 1990 requires the government to conduct a National Climate Assessment every four years “to evaluate scientific findings and uncertainties related to global change, analyze the effects of global change, and analyze the current and projected trends in global change, both human-induced and natural. The assessment is very broad and covers physical sciences, national topics, regional studies, and response to climate change. The draft may be viewed at <https://review.globalchange.gov>. NOAA is required to request and consider comments before the Assessment is final. Comments are due in 12 weeks from November 10 (February 2, 2023).

## 9. FTC UNFAIR TRADE RULE ON FEES

The Federal Trade Commission issued an [Advanced Notice of Proposed Rulemaking](#) (ANPRM) on “unfair or deceptive fees” for consumers “that are charged for goods or services that have little or no added value to the consumer, including goods or services that consumers would reasonably assume to be included within the overall advertised price”; The FTC highlighted several industries in which it believes these fees are common, including auto loans and purchases, travel and hospitality, telecommunications, tickets for live entertainment, and payday loans. It noted that in some instances hidden fees cause

prices to consumers to be 20 percent higher “than when the actual price was disclosed upfront.” The FTC seeks comments on whether fees can be addressed through existing rules and statutes and whether it should issue a new trade regulation rule under [Section 19\(b\)](#) of the FTC Act. The FTC also seeks comments on the prevalence of “misrepresenting or failing to disclose clearly and conspicuously, on any advertisement or in any marketing, the total cost of any good or service for sale,” including additional fees. Comments on the ANPRM are due January 9.

## **10. ENERGY DEPARTMENT ANNOUNCES INFLATION REDUCTION ACT FUNDS**

The Department of Energy [announced](#) how it would use \$1.55 billion in funds provided by the Inflation Reduction Act for the Department’s Office of Science, stating that the funding will both “pave the way for a zero-carbon, clean energy future” and “accelerate ongoing upgrades to critical facilities and other national laboratory infrastructure projects.” The funding includes six specific research priorities: advanced scientific computing, basic energy sciences, high energy physics, fusion energy, nuclear physics, and isotope research. In all, [fourteen](#) national laboratories are receiving funds, with the largest recipient being Oak Ridge National Laboratory in Tennessee, with \$491 million in funding for fusion and isotope research. The Department has [published](#) a full breakdown of the projects receiving funds. An additional \$15.5 million will be distributed in January.

## **11. SOME BUY AMERICAN WAIVERS EXPIRE UNDER IIJA**

The Department of Transportation [ended](#) the waiver of the [Build America, Buy America](#) requirements in the Infrastructure Investment and Jobs Act (IIJA), leaving only a narrow [waiver](#) for de minimis costs, small grants, and minor components. The resumption of Build America Buy America requirements of the [Build America Buy America Act](#) which is itself part of the IIJA, also contain some transition provisions. Contracts entered into prior to November 10 still waive the requirements, as will contracts entered into prior to March 10, 2023, if they resulted from solicitations published before May 14, 2022.

## **12. MONKEYPOX UPDATES**

As of November 7, the [US has confirmed](#) a total of 28,709 cases of monkeypox. States with the highest case numbers include California (5,512), New York (4,127), Florida (2,739), Texas (2,760), and Georgia (1,927). [Globally](#), 78,379 cases have been confirmed, with 77,430 cases confirmed in locations that have not historically reported monkeypox. The countries with the highest case numbers include the US (28,709), Brazil (9,312), Spain (7,336), France (4,097), and the UK (3,701). A total of thirty deaths have been reported in locations that have not historically reported monkeypox.

A UK [study](#) found evidence for “substantial” [pre-symptomatic transmission](#) of monkeypox. The researchers estimate that 53 percent of transmission occurred before symptoms appeared, with transmission detected up to four days before the onset of symptoms. The findings were based on routine surveillance and contact tracing of 2,746 individuals who tested positive for monkeypox in the UK between May 6 and August 1 and indicate that many infections cannot be prevented by asking individuals to isolate upon the onset of symptoms.



A team of researchers at the University of Missouri have [identified](#) specific mutations in the monkeypox virus that have enabled it to grow stronger and smarter. The team [analyzed](#) DNA sequences of over 200 strains spanning from 1965 when the virus first began spreading to outbreaks in the early 2000s and in 2022. “By doing a temporal analysis, we were able to see how the virus has evolved over time, and a key finding was the virus is now accumulating mutations specifically where drugs and antibodies from vaccines are supposed to bind,” said researcher Shrikesh Sachdev. The findings could potentially lead to modified versions of existing drugs or new drugs addressing current mutations.

### 13. PANDEMIC NEWS

**Paxlovid May Reduce Risk of Long COVID:** A large [study](#) found that eligible people who took Paxlovid within a few days of infection were 26 percent less likely to have symptoms 90 days later. The findings [suggest](#) that for eligible individuals (either by age or medical condition) Paxlovid not only reduces the risk of serious illness or death but also lowers the risk of developing long-term symptoms. However, the study, published in advance of peer review, does not suggest that the antiviral may be beneficial for patients not typically eligible for Paxlovid, such as younger patients or those without medical conditions. Participants in the study were part of the Veterans Health Administration system and tested positive for the virus between March 1-June 30, 2022, when Omicron variants were dominant.

**Loosening of China’s COVID Zero?** There has been widespread speculation that China may [step away](#) from its “dynamic COVID zero” policies, including several indications that Chinese officials have begun [discussing the easing](#) of several aspects of the policy. Officials are debating how to further reduce mandatory hotel quarantine for incoming travelers, and the aviation regulator has encouraged state-owned carriers to add more flights. German Chancellor Olaf Scholz gave the first indication that China may be open to accepting foreign COVID-19 shots when he announced last week that China agreed to make BioNTech’s vaccines available to foreigners in the country. Additionally, a recent unverified screenshot of an online post claimed that a member of China’s top leadership met with a group of experts to discuss a detailed plan for reopening in March next year. Despite the lack of identifying features on the post, Chinese stock gauges posted their best weekly performance this year. No media organization, Chinese or international, has been able to verify the screenshot.

**New cases in Guangzhou and other economic hubs:** Guangzhou and other major Chinese cities are wrestling with [severe flare-ups](#) in COVID-19 cases, testing their ability to avoid a Shanghai-style citywide lockdown. China reported 7,475 new locally transmitted cases on Monday, up from 5,496 the day before and the highest since May 1. Guangzhou, capital of Guangdong province and dubbed the “factory floor of the world,” is battling its most severe outbreak ever. On Monday, the city reported 2,377 new local cases, up from 1,971 the previous day. The jump in new cases is dramatic compared to the city’s double-digit increases only two weeks ago. Zhengzhou, a major production base for Apple supplier Foxconn, reported 733 new cases on Monday, more than double the cases the day before. In Beijing, 64 new cases were detected, sparking an increase in testing and a lockdown of buildings and neighborhoods where cases were found. “We continue to believe that, while Beijing may fine-tune some of its Covid-19 measures in coming weeks, those fine-tuning measures could be more than offset by local officials’ tightening of the zero-Covid-19 strategy,” noted Nomura, a Japanese financial services group.

#### 14. COUNTRY SPOTLIGHT: POTENTIAL FOR US “TRIPLEDEMIC”

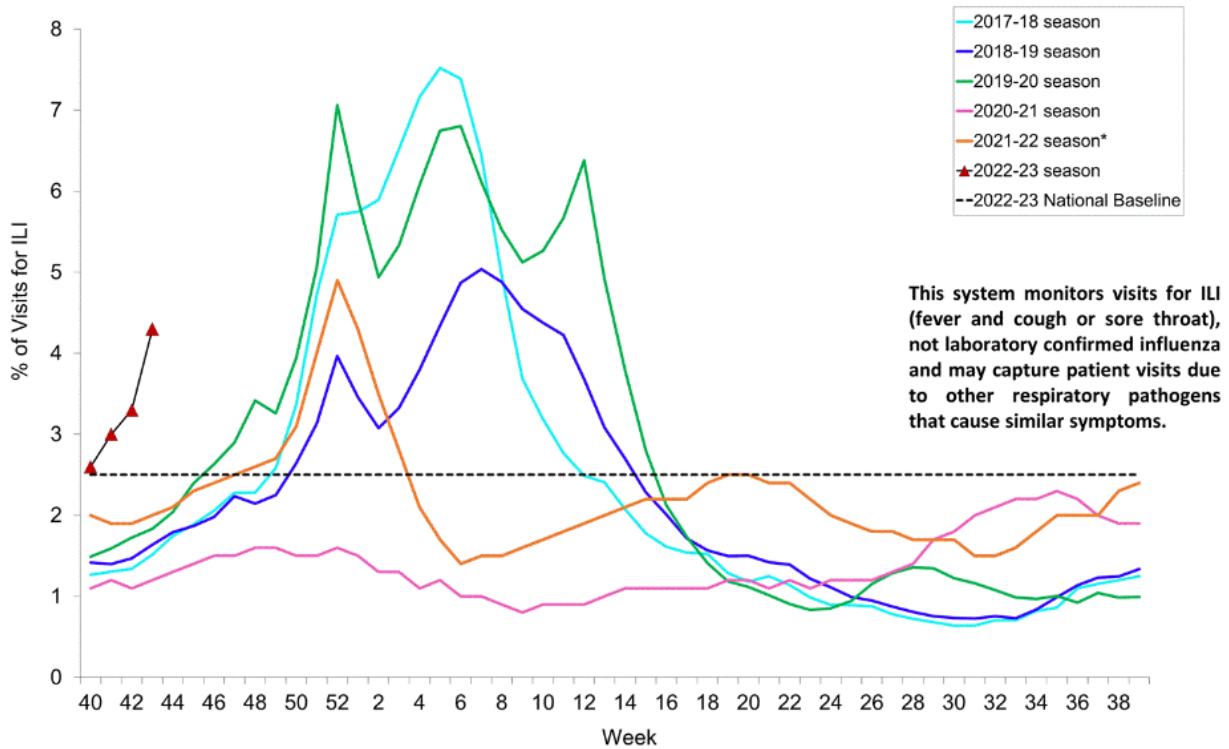
Last month, at the [CED Distinguished Leadership Awards Celebration](#), Heyward Donigan, President & CEO of Rite Aid spoke of concurrence of forecasted spikes in RSV, flu, and COVID-19 infections this season -- what some have called a potential “tripledeemic,” noting that indicators point to this being the worst flu season in a decade. As she noted, the fall and winter is expected to be an increasingly challenging, unpredictable time for respiratory virus disease. On November 4, the CDC [issued](#) a Health Alert Network (HAN) Health Advisory about early, elevated respiratory disease incidence caused by multiple viruses occurring especially among children and placing strain on health systems. The [unusually](#) high number of children falling ill, and severely ill, is believed to result from social distancing measures over the past several years which have prevented previous exposure, thus leading to an absence of immunity. Studies and past epidemics also [suggest](#) that the spread of some viruses could inhibit or shift the spreading of others for a period of time, which could potentially be due to how the immune system responds to contact with the first pathogen (which, in this case, is SARS-CoV-2).

CDC [surveillance](#) has shown an increase in RSV detections and associated hospitalizations throughout the country, with some regions already near peak levels typically not seen until December or January. While RSV activity appears to be plateauing in some regions, the intensity of the current RSV season is uncertain. Influenza has also hit US populations unusually hard and early, especially among children, with flu season arriving [six weeks earlier](#) than usual. CDC data has shown levels of [influenza-associated hospitalization](#) rates for children 0-4 years and 5-17 years and all ages combined at its highest compared to the same time period during previous seasons since 2010-2011. For the week ending October 29, CDC recorded a hospitalization rate of 2.9 among all age groups per 100,000 people, up from 0.1 during the same week the previous year. CDC [COVID-19 community levels](#) has shown COVID-19-associated hospitalizations decrease in all age groups since August. However, rates in infants younger than six months remain higher than all other age groups except for those 65 years and older. CDC anticipates continued high-level circulation of both influenza and COVID-19 this fall and winter.

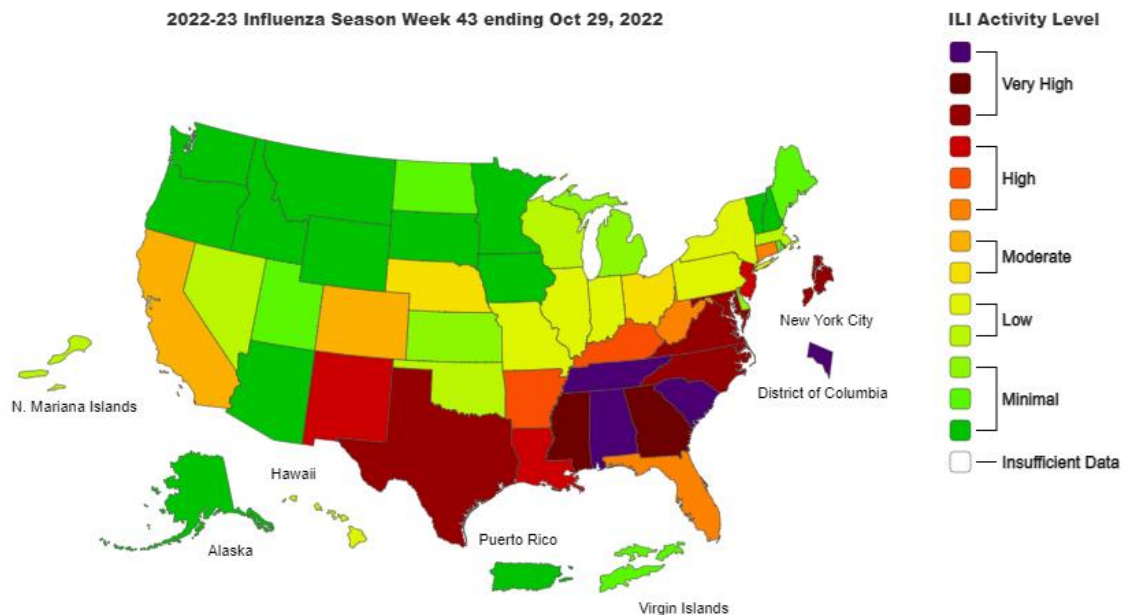
Meanwhile, [human trials](#) are underway for both Moderna and Pfizer-BioNTech to assess the safety and efficacy of a flu-COVID combination vaccine. On November 3, [Pfizer-BioNTech](#) announced that the first individual has been dosed, marking the beginning of the company’s Phase 1 trial. The combination vaccine includes authorized bivalent vaccine and a new [mRNA-based flu vaccine](#) candidate now in Phase 3 trials. Moderna is slightly ahead, as its [Phase 1/2](#) study participants received doses in April. Its flu-COVID candidate vaccine combines its original COVID-19 mRNA vaccine with its candidate mRNA flu vaccine, also in [Phase 3 trials](#).



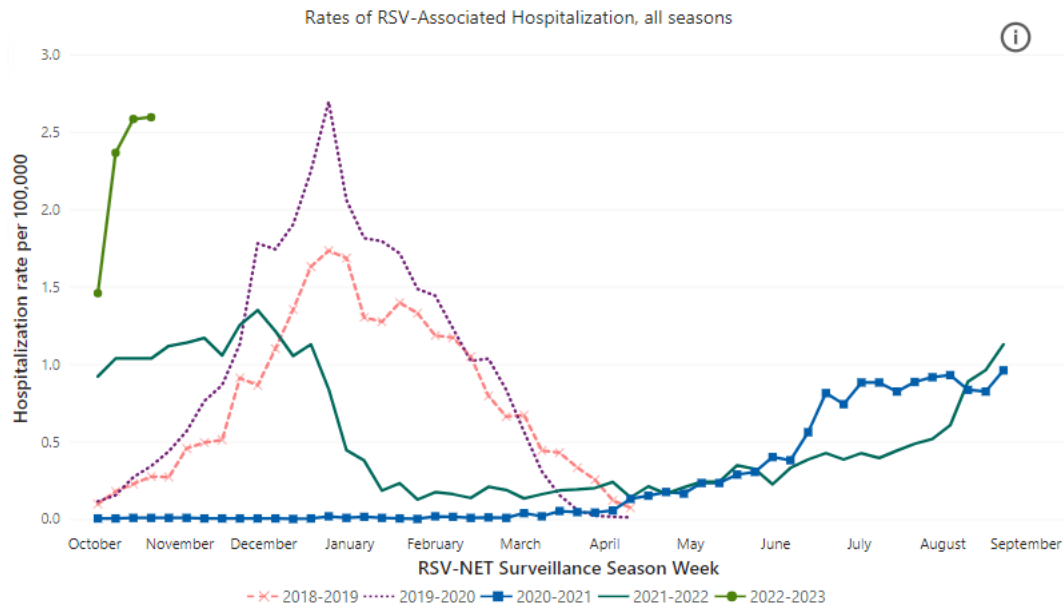
Percentage of Outpatient Visits for Respiratory Illness Reported By  
 The U.S. Outpatient Influenza-like Illness Surveillance Network (ILINet),  
 Weekly National Summary, 2022-2023\* and Selected Previous Seasons



Source: Centers for Disease Control and Prevention



Source: Centers for Disease Control and Prevention



**Data last updated:** 11/03/2022 | **Accessibility:** Hover over graph area to display options such as show data as table and copy visual.  
 Note: AI/AN, American Indian or Alaska Native; A/PI, Asian and Pacific Islander.

*Source: “RSV-NET: Respiratory Syncytial Virus Hospitalization Surveillance Network, Centers for Disease Control and Prevention.*