

Members of the U.S. House and Senate left Washington for the August recess, but not before the Senate passed a bipartisan infrastructure deal and a budget resolution. The Delta variant of the coronavirus is raging in the United States, making the [“hot vax summer”](#) short-lived—masks and vaccine mandates are becoming more wide-spread. The Select Committee to Investigate the January 6th Attack on the U.S. Capitol holds its first hearing. The U.S. economy grew at an annualized rate of 6.5% last quarter and is now above pre-pandemic levels. The Biden administration released a strategy to address the “root causes” of the migration surge at America’s southern border. The United States and allies joined together to denounce malicious Chinese behavior in cyberspace. The Senate Foreign Relations Committee advanced legislation to repeal two military authorizations in an effort to claw-back executive war-making powers. In the latest chapter in the long-running dispute over former President Trump’s taxes, the Department of Justice said his returns must be turned over to Congress.

Senate Passes Bipartisan Infrastructure Deal

Before departing Washington for the August recess the Senate passed the [\\$1.2 trillion infrastructure deal](#) negotiated by a bipartisan group of senators and the White House. The measure includes a major expansion of high-speed broadband internet as well as hundreds of billions in spending for roads, bridges and ports. The deal also seeks to address climate change by including funds for electric vehicles, building a national network of electronic vehicle chargers, updating the power grid, and creating an infrastructure financing authority that will leverage billions of dollars into clear transportation and clean energy. The infrastructure deal still must pass the House—moderate Democrats are pressuring Speaker Pelosi to bring up the measure as soon as possible, while progressives are threatening not to support the legislation if the \$3.5 trillion budget resolution does not also move.

\$3.5 Trillion Budget Resolution

On August 9, Senate Democrats unveiled their [fiscal year 2022 budget resolution framework](#) which directs House and Senate committees to write what will amount to a \$3.5 trillion package that would implement major changes in social, climate, and health care policy. This includes many of President Biden’s so-called “human infrastructure” priorities. The measure passed the Senate by a party-line vote of 50-49. In a [statement](#) introducing the resolution, Senate Budget Committee chairman Bernie Sanders said once the budget has been adopted, it “will allow the Senate to move forward on a reconciliation bill that will be the most consequential piece of legislation for working people, the elderly, the children, the sick and the poor since FDR and the New Deal of the 1930s.” Once the House and Senate pass the budget resolution, the standing committees can begin drafting legislation that conforms to the instructions within the resolution. The committees have until September 15 to produce their pieces of the larger package, which would then be bundled together by the Budget Committees for consideration on the floor as one comprehensive piece of legislation. In the Senate, the reconciliation bill would only require a simple majority to pass, rather than the standard 60-vote threshold, and would be subject to limited debate.

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January 6 Investigation Starts

A select committee established to investigate the January 6th insurrection at the U.S. Capitol held its first hearing on [July 27](#). Before the hearing there was partisan fireworks over the committee membership—House Speaker Nancy Pelosi rejected two of the five members appointed to the body by House Minority Leader Kevin McCarthy (Congressman Jim Jordan of Ohio and Congressman Jim Banks of Indiana) citing the negative impact they might have on the “integrity of the investigation.” McCarthy in turn responded by accusing the Speaker of an “egregious abuse of power” and pulled all five of his appointments. Not to be outdone, Pelosi appointed Republican Congressman, and vocal Trump critic, Adam Kinzinger of Illinois to the body. The committee is now made up of two Republicans, Kinzinger and Congresswoman Liz Cheney, and Democratic Representatives Bennie Thompson (D-MS), Zoe Lofgren (D-CA), Adam Schiff (D-CA), Pete Aguilar (D-CA) Stephanie Murphy (D-FL) Jamie Raskin (D-MD) and Elaine Luria (D-VA)—all Pelosi appointments. The first hearing featured [powerful testimony from four police officers](#) defending the Capitol Building on January 6. Moving forward, the select committee has promised a vigorous inquiry into the events of leading up to the insurrection. This could lead to an [unprecedented legal and political showdown](#) over how to force members of Congress to take the witness stand.

Delta's Surge

The return to pre-COVID life in the United States was short-lived. As the Delta variant spreads coronavirus hospitalizations are surging once again, threatening to overwhelm local health systems in some areas just as badly as the waves of the virus that hit last summer. Cases are climbing in almost every state with some states seeing [unchecked community spread and 14-day case increases near 200%](#). Where Delta is surging corresponds to states with low vaccination rates. Further complicating the matter, recent findings suggest that the vaccinated can spread Delta as they can still carry a high viral load and transmit without becoming ill themselves. [An internal document](#) from the Centers for Disease Control and Prevention (CDC) paints a harrowing picture and raises serious questions about the trajectory of the virus. [According to CDC director Rochelle Walensky](#), the trend lines are worrisome, and Delta represents a “serious health threat to all Americans.” Just three weeks after President Biden declared independence from the virus at a July 4th celebration at the White House, with hundreds of unmasked visitors, the CDC reversed guidance on mask wearing and now says even vaccinated people in COVID-19 hotspots should mask up. Cities, states and businesses are also introducing their own mask mandates.

While the cases are climbing, progress is being made on vaccinating the American people—[now 70% of Americans](#) have received at least one dose of the COVID-19 vaccine. President Biden [announced](#) new initiatives to get more people vaccinated, including [requiring all federal workers](#) (approximately 2 million individuals) and contractors (approximately 4 million individuals) to get a vaccine or be subjected to masking mandates and regular testing. The [Pentagon](#) has also requested that the President require all troops to be vaccinated by mid-September. The administration hopes these actions will have a ripple effect, and that states and local governments will follow suit. [Some cites are now starting to require proof of vaccination](#) for people participating in a range of

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indoor activities and a number of [major employers](#) are requiring vaccinations for their workforce. The Biden administration is also considering [requiring all foreign visitors](#) to the United States to be vaccinated.

American Economy at Pre-Pandemic Levels

The American economy grew at an annualized rate of 6.5% during the second quarter, according to the [Bureau of Economic Analysis](#). This is below the estimate of 8.4% for second quarter growth. Nevertheless, the economy is now at pre-pandemic levels, officially recovering from the pandemic-induced retraction. This announcement comes as the economy progressed toward further reopening, and as vaccine administration and distribution become more widespread. Government stimulus also [bolstered spending](#) and consumer spending grew by 11.8%, one of the largest rates of growth on record. However, this growth also reflects higher prices as the [Consumer Price Index](#) increased by [5.4% in the year through July](#), the largest year-over-year increase since 2008, far above the Federal Reserve's 2% target. [The White House and Federal Reserve are increasingly concerned](#) about the economic outlook for the fall due to the looming expiration of some federal support programs and the delay of return-to-office plans by a number of companies.

The Administration's Migration Strategy

In July, the Biden Administration released an 18-page plan, the [Collaborative Migration Management Strategy](#), to deter people who are fleeing the countries of the Northern Triangle (El Salvador, Guatemala and Honduras). The administration is facing significant political pressure to stem the flow of migrants across the southern border and the strategy seeks to address the “root causes” of the migration crisis. The strategy identifies the push factors of migration as climate change, violence, corruption and a lack of economic opportunity. The two-track approach puts foreign assistance at the center of addressing these issues by investing nearly \$4 billion over the next four years in improving living conditions in the region. The second component of the strategy focuses on diplomacy and diplomatic pressure. The U.S. will also use sanctions and visa restrictions to “build political will among leaders in Central America” and push for governance improvements in those countries. In February, [Biden ordered](#) his administration to produce a comprehensive plan for the Northern Triangle and tapped Vice President Kamala Harris to oversee the effort.

U.S. & Allies Rebuke Chinese Cyber Activity

In a show of unity, the [United States](#), [EU](#), [NATO](#), the [United Kingdom](#) and [other Five Eyes](#) allies as well as [Japan](#) joined together to call out the Chinese government for conducting and permitting a range of irresponsible behavior in cyberspace. The collection of allies referenced malicious activities carried out by China's Ministry of State Security (MSS), specifically the massive [hack of Microsoft's email service](#) earlier this year, as well as a range of online criminal activities carried out by actors affiliated and associated with the Chinese government. The White House statement emphasized the “unprecedented group of allies” who joined together in this denunciation—that collective action is notable in and of itself, but it may also show a path forward for international cyber norms. This move builds on Biden's diplomatic efforts earlier this summer to galvanize support

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among allies and partners for a more confrontational approach to China. The nations and institutions joining in this denunciation plan to share intelligence on cyber-threats and collaborate on network defenses. The [U.S. Department of Justice also announced](#) that it will bring charges against several MSS hackers.

AUMF Repeal Advances in Senate

On August 4 the [Senate Foreign Relations Committee passed a joint resolution](#), introduced by Senators Tim Kaine (D-VA) and Todd Young (R-IN), to repeal the 1991 and 2002 authorizations for the use of military force (AUMFs). In a [floor speech](#) following the committee vote, Senate Majority Leader Chuck Schumer said he planned to bring the resolution to the floor for a vote later this year. The House has taken a slightly different approach to repealing the AUMFs—earlier this year they passed two different pieces of legislation, one [repealing the 2002 AUMF](#) and another [repealing the 1991 AUMF as well as a 1957 resolution](#) authorizing military action in “the general area of the Middle East” to counter aggression from communist regimes. Should the Kaine/Young resolution pass the Senate it would have to be reconciled with the House-passed AUMF measures. This is the most significant effort to claw-back presidential war-making powers in decades that could actually be signed into law. Should the measures pass the House and Senate the 2001 AUMF, issued following the September 11 terrorist attacks, which Democratic and Republican administrations have invoked repeatedly for a range of military actions, would still be in effect.

Trump's Taxes

The Department of Justice (DOJ) Office of Legal Counsel issued an [opinion](#) saying the former President's income taxes must be released by the Internal Revenue Service (IRS) to Congress. The opinion states that, under federal law, tax-related Committees have a “broad right” to obtain taxpayer information and that the request for access was consistent with the legitimate legislative purpose of assessing how the IRS audits president's tax returns. This is a reversal of an earlier opinion, issued by the same DOJ office during the Trump administration, which backed the refusal of the IRS to give the Committee access to the returns. This comes months after the United States Supreme Court [ruled](#) that Trump's taxes and other financial records must be released to the Manhattan District Attorney's office who is investigating the Trump organization for a variety of alleged misdeeds. Trump broke with four decades of precedent, as a candidate and President, by refusing to voluntarily release his tax returns. Trump's legal team is fighting the release and, even if the documents are sent to Congress, the information may never be released to the public.

Personnel Updates

Department of Commerce – **Alan Estevez** has been nominated for undersecretary for industry and security. **Laurie Locascio** has been nominated for undersecretary for standards and technology. **Lisa Wang** has been nominated as assistant secretary for enforcement and compliance. **Thea Kendler** has been nominated as assistant secretary for export administration.

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Department of Defense – **Frank Kendall III** was confirmed as secretary of the Air Force. **Heidi Shyu** was confirmed as undersecretary of defense for research and engineering. **Gina Ortiz Jones** was confirmed as undersecretary of the Air Force. **Mara Karlin** was confirmed as assistant secretary of defense for strategy, plans and capabilities. **Ely S. Ratner** was confirmed as assistant secretary of defense for Indo-Pacific affairs. **Deborah G. Rosenblum** was confirmed as assistant secretary of defense for nuclear, chemical and biological defense programs. **Shawn G. Skelly** was confirmed as assistant secretary of defense for readiness. **Caroline Diane Krass** was confirmed as general counsel

Department of Energy – **Jill Hruby** was confirmed as administrator of the National Nuclear Security Administration (NNSA) and undersecretary for nuclear security. **Frank A. Rose** was confirmed as principal deputy administrator of the NNSA.

Department of Homeland – **Ur Mendoza Jaddou** was confirmed as director of the United States Citizenship and Immigration Services. **John Cohen** has been nominated for undersecretary for intelligence and analysis. **William Valdez** has been nominated for undersecretary for management.

Department of Labor – **Julie A. Su** was confirmed as deputy secretary.

Department of State – **Amos Hochstein** was appointed energy envoy charged with implementing the arrangement between the United States and Germany allowing the Nord Stream 2 pipeline to be completed. **Bonnie D. Jenkins** was confirmed as undersecretary of state for arms control and international security. **Uzra Zeya** was confirmed as undersecretary of state civilian security, democracy, and human rights. The following ambassadorial nominations have been announced: **David Cohen** for Canada; former Arizona Senator **Jeff Flake** for Turkey; **Eric Garcetti** for India; **Mark Gitenstein** for the European Union; **Amy Gutmann** for Germany; **Laura Holgate** for the International Atomic Energy Agency and the United Nations Vienna Office; **Jeffrey Hovenier** for Kosovo; **Rashad Hussain** has been nominated as Ambassador-at-Large for International Religious Freedom; **Caroline Kennedy** for Australia; **Victoria Reggie Kennedy** for Austria; **Peter Haas** for Bangladesh; **Bernadette Meehan** for Chile; **Michael Murphy** for Bosnia and Herzegovina; former New Mexico Senator **Tom Udall** for New Zealand.

Department of the Treasury – **J. Nellie Liang** was confirmed as undersecretary of the treasury for domestic finance. The chief digital currency advisor for the Financial Crimes Enforcement Network is **Michele Korver**. **Graham Steele** is the nominee for assistant secretary for financial institutions.

Department of Veterans' Affairs – **Donald Remy** was confirmed as deputy secretary.

Office of the Director of National Intelligence – **Stacey A. Dixon** was confirmed as principal deputy director.

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