

President Biden traveled to Europe to participate in a series of summits and met with Russian President Vladimir Putin in Geneva. The long-running dispute over subsidies for Boeing and Airbus is resolved. An agreement on a global minimum tax has been reached. The U.S. Federal Reserve gets slightly more hawkish. Biden signed an executive order cracking down on big tech and promoting competition. The fight over voting rights takes center stage. There are competing narratives on the pandemic as vaccination rates plateau, restrictions continue to ease, and cases start to climb. It has been six months since the insurrection on January 6 and the House has set up a select committee to investigate the matter.

### *President Biden's First Diplomatic Tour*

In mid-June, President Biden traveled across Europe for a series of summits and leaders meetings where he sought to repair crucial ties with U.S. allies and confront Russia over its malign behavior. At the G-7 summit in Cornwall, England Biden said that “America is back at the table.” Leaders discussed strategic competition with China and committed to address the infrastructure need in low- and middle-income countries. The new global infrastructure initiative, called the **Build Back Better World (B3W)**, seeks to mobilize private-sector capital in four areas of focus—climate, health and health security, digital technology, and gender equity and equality. Through this initiative the G-7, and other like-minded nations, hope narrow the \$40+ trillion infrastructure need in the developing world. At the NATO summit in Brussels, Biden stressed that the U.S. sees its democratic future as tightly bound to NATO allies. In addition to discussing contemporary and future security challenges and reaffirming their **“unity, solidarity, and cohesion”** allies agreed to strengthen innovation to maintain NATO’s technological edge, launched a new **Defense Innovation Accelerator**, and established a new **NATO innovation fund** to invest in start-ups. The U.S.-EU summit brought **significant trade outcomes** and greater cooperation on technology regulation and industrial development. The two sides **resolved a long-running trade dispute** over subsidies to Airbus and Boeing, agreed to set up a high-level U.S.-EU Trade & Technology Council to foster high-tech cooperation and supply-chain security, committed to work together on WTO reform and will endeavor to negotiate an end to the U.S.-EU tariffs and retaliatory tariffs on steel and aluminum by the end of this year. Rounding out the trip, **Biden met with Vladimir Putin in Geneva**. Biden wanted to deliver a clear message to Putin that efforts to interfere in American elections and cyber-attacks on American businesses and infrastructure will be met with a swift response. Biden and Putin agreed to resume full diplomatic relations, return Ambassadors to their respective posts, and discussed issues including strategic stability, arms control, and the ongoing situation in Ukraine. Both leaders said they hoped it would set the stage for more cooperation over time.

### *Global Minimum Tax Deal Reached*

In early July, **officials from 130 countries**, working through the Organization for Economic Cooperation and Development (OECD), **endorsed a sweeping rewrite** of the rules for how countries tax corporate income. This follows many years of negotiations to clamp down on tax avoidance by multinational firms. Governments will now need to pass new laws to implement the

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changes. The agreement includes a requirement for countries to set a minimum corporate tax rate of 15% as well as rules on how and where to tax major multinationals, including “Big Tech” firms. The details need to be finalized by October and global implementation will be lengthy, difficult, and is not certain.

#### *As Economy Heats Up Fed Gets More Hawkish*

The U.S. recovery continues to outpace most of the world and both the U.S. Federal Reserve and the IMF have upgraded their forecasts for U.S. growth this year to 7.0%. Given growth predictions, rising consumer prices and spending, and increasing concerns about inflation, after months of projecting near-zero interest rates through 2023, at their most recent meeting the Federal Open Market Committee (FOMC) held short-term rates near zero but **indicated** that it might be adjusting policy in the months ahead. While Fed policymakers said in **March** that they didn’t see rate hikes until 2024, now they **suggest two rate increases** by the end of 2023. While inflation is a concern, and has taken on **political overtones**, most **analysts think** that revising the timeline for rate increases likely has more to do with the progress the U.S. has made addressing the pandemic than worries about inflation. Testifying before Congress on June 22 **Fed Chairman Jerome Powell** also warned against overreacting to growing inflation.

#### *Biden Cracks Down on Anti-Competitive Practices, Takes Aim at Big Tech*

On July 9, Biden signed a new executive order aimed at cracking down on anti-competitive practices in Big Tech, labor, and numerous other sectors. According to the **White House fact sheet**, the executive order includes 72 initiatives and recommendations that involve over a dozen federal agencies, seeks to promote competition in the American economy, and reduce the trend of corporate consolidation. Specific to the tech sector, the executive order calls for greater scrutiny of mergers, urges the Federal Trade Commission (FTC) to set new rules on data collection and reinstate net neutrality rules for broadband providers, and bars unfair methods of competition on internet marketplaces. The measure also encourages other federal agencies to improve competition in agriculture, travel and healthcare. A number of the agencies addressed in the executive order, such as the FTC, are independent, meaning that the White House can only provide recommendations and encourage certain actions, not mandate them. Nevertheless, statements from senior officials at those federal agencies indicate they will take the requested action.

#### *The Debate Over Voting Rights – Legislation or Litigation?*

A multi-front fight over voting rights and access to the polls is taking place in the halls of Congress, at the Supreme Court in Washington, and in state houses and court rooms across the country. At issue is a debate over efforts to tighten ballot access versus strengthening voting rights that has broken down along partisan lines. At the state-level, a number of Republican-controlled legislatures such as Texas, Georgia, Florida, and Arizona, among others, have passed **a number of new voting restrictions**. According to the **Brennan Center for Justice**, 17 states have enacted 28 new laws that restrict voter access, and **hundreds of other bills** have been introduced. State lawmakers pushing for additional restrictions say the measures are an effort to boost election security after the 2020 experience but it must be noted that there was **no wide-spread fraud during the 2020 elections** and voting rights

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advocates claim this is nothing more than an attempt at voter suppression to tilt tight races in Republicans favor.

In July, the Supreme Court of the United States issued the most significant ruling to date on recent Voting Rights Act challenges following the 2020 election. In [\*\*Brnovich v. Democratic National Committee\*\*](#), the Court, in a 6-3 ruling, upheld two Arizona laws passed after the election that limit access to the polls. Justice Elana Kagan, in a [\*\*scathing minority opinion\*\*](#), wrote that the “majority...found its decision on a list of mostly made-up factors, at odds with Section 2 [of the Voting Rights Act] itself,” and that this “stacks the deck against minority citizens’ voting rights.” A number of other state-level initiatives have been challenged in litigation, and the [\*\*Justice Department has filed a number of cases\*\*](#) making claims under [\*\*Section 2\*\*](#). Cases are working their way through various courts, but advocates worry that this ruling suggests that it will be harder to successfully challenge new laws restricting voter access.

On Capitol Hill there are two measures pending that would set some federal standards for state elections and would displace, or preempt, those state laws due to the [\*\*Supremacy Clause\*\*](#) in the United States Constitution. However, last month Senate Republicans [\*\*filibustered\*\*](#) the [\*\*For the People Act\*\*](#), an election overhaul bill aimed at protecting and expanding voting rights and reforming campaign finance laws that passed the Democrat-controlled House. The other measure, [\*\*a narrower bill\*\*](#) named after the late civil rights icon John Lewis, also faces a steep climb in the Senate. This has led to calls to end, or reform, the filibuster but Democrat Senators Krysten Sinema (D-AZ) and Joe Manchin (D-WV) do not support eliminating the procedural step. The White House is continuing to push for action on the voting rights measures pending before the Senate but White House press secretary Jen Psaki has made clear that Biden has no plans to mount a campaign against the filibuster. On July 13, [\*\*speaking from the National Constitution Center in Philadelphia\*\*](#), Biden warned that “we’re facing the most significant test of our democracy since the Civil War” and decried the action in Republican-led state legislatures to limit access to the polls. He further blasted efforts from Trump and others to sow doubt about the election months after it concluded, which spurred the state-level action. Biden is being pressured to throw more weight behind voting rights legislation and [\*\*Vice President Kamala Harris\*\*](#) is taking the lead on the issue.

#### *COVID in the U.S.*

Worrying trend-lines are developing as the Delta variant of the coronavirus spreads in the United States. While vaccines are widely available, with anyone over 12 years of age now eligible to get a COVID-19 vaccination, the campaign has essentially stalled just as the country reopened and the Delta variant took over. [\*\*Some 330 million doses have been given, and over 150 million Americans are fully vaccinated\*\*](#), but this represents less than 50% of the total population, well short of “herd immunity” and the Biden administration failed to reach its goal of vaccinating 70% of the population by July 4. There are significant [\*\*geographic disparities\*\*](#) in the pace of vaccination and reported COVID cases—when you compare states with high vaccination rates to states that are lagging, the difference in the number of people contracting COVID is approximately 3 times higher in the latter than the former. There are socioeconomic disparities as well with nearly half of unvaccinated Americans living in households that make less than \$50,000 annually, according to the latest [\*\*Census\*\*](#)

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**Bureau data.** In America, there are two competing narratives at play—the pandemic is over and America is back open, versus the pandemic is getting worse. This pandemic is not something that is isolated to one state, county or socioeconomic group—so long as we see case increases anywhere, it remains a threat everywhere and a national crisis. **Case numbers are growing in nearly every state just as restrictions and mitigation measures are being lifted**—as a result, the American public is increasingly confused and divided.

#### *6 Months After the Capitol Insurrection, Select Committee Established*

It has been slightly more than 6 months since the January 6 insurrection at the United States Capitol. While there was widespread, and bipartisan, outcry immediately following the attack, the intervening months has seen a steady erosion of Republican support for any thorough investigation into the matter and an increase in rhetorical revisionist history and misinformation as they seek to deflect blame from the former President—with some Republican members of Congress saying the event, **which left five dead including police officers defending the Capitol**, was just like a **“normal tourist visit.”** Efforts to establish a bipartisan commission, modeled after the commission that investigated the terrorist attacks of September 11, 2001, **stalled in the Senate** after **passing the House** with the support of all House Democrats and 35 House Republicans. On June 24, House Speaker Nancy Pelosi announced the creation of a select committee to **“investigate and report on the facts and the causes of the attack and it will report recommendations for the prevention of any future attack.”** The 13-member committee will be chaired by Representative Bennie Thompson (D-MS) and Pelosi appointed House Democratic members 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) as well as Congresswoman Liz Cheney (R-WY), the former GOP conference chair who was removed from leadership for her opposition to Donald Trump's election lies. House Minority Leader Kevin McCarthy has yet to name the five remaining members he can appoint, in consultation with Pelosi.

#### *Personnel Updates*

*Department of Commerce* – In the office of the Secretary, **Liani Balasuriya** is director, executive secretariat, **Laura O’Neill** is director of public engagement, and Jennifer Kaplan is a senior advisor for private sector engagement. **Jason Rodriguez** is chief of staff in the office of the Deputy Secretary and Mira Patel is a senior policy advisor. **Michelle Chang** is the deputy assistant secretary for policy at the Economic Development Administration. **Monica Gorman** is the deputy assistant secretary for manufacturing at the International Trade Administration.

*Department of Defense* - **Carlos Del Toro** is the nominee for Navy secretary. **Celeste Wallander** is the nominee for assistant secretary for international security affairs.

*Department of Homeland Security* - **AnnMarie Highsmith** has been named executive commissioner in the office of trade at Customs and Border Protection. **Jamie Lawrence** is deputy assistant secretary for the private sector office.

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*Department of State* – The following ambassadorial nominations were announced: **Denise Campbell Bauer** for ambassador to both France and Monaco; for the Organization for Security and Cooperation in Europe, **Michael Carpenter**; **Bathsheba Crocker** for the United Nations and other International Organizations in Geneva; **Claire Cronin** for Ireland; **Jeff Flake** for Turkey; **Eric M. Garcetti** for India; **Jack Markell** for the Organization for Economic Cooperation and Development; **Cindy McCain** for the Food and Agriculture Organization; **Thomas Nides** for Israel; **Kenneth Salazar** for Mexico; and **Julianne Smith** for NATO. **Jessica Stern** is the special envoy to advance the human rights of LGBTQI+ persons; **Julieta Valls Noyes** has been nominated as assistant secretary for population, refugees and migration.

*Federal Trade Commission* - **Lina Khan** has been confirmed as a member of the Commission, President Biden has designated her to chair the agency.

*White House* - **Lisa Hone** is a senior advisor for broadband and technology policy on the National Economic Council. **Theodore “Teddy” Nemeroff** is director for international cyber policy on the NSC staff.