

The House Select Committee investigating the events of January 6 continued its public hearings. The Supreme Court of the United States released a series of monumental rulings that will have far reaching effects on reproductive rights, firearms, climate policy, among other matters. Inflation continues to cause the Biden administration headaches. Negotiations between Senate Majority Leader Chuck Schumer (D-NY) and Senator Joe Manchin (D-WV) over a budget reconciliation package continue. USICA-COMPETES Act conference negotiations are in danger of collapsing.

January 6th Committee Hearings Continue

The [House Select Committee to Investigate the January 6th Attack on the United States Capitol](#) has held seven public hearings in recent weeks. Over the course of over 20 hours of public hearings, the Committee has heard live testimony from over a dozen witnesses ranging from former administration officials, members of domestic extremist groups, Capitol Police officers, Department of Justice officials, and journalists embedded in the riot. The Committee has also played clips from the recorded depositions of more than 40 others, including members of the Trump family, officials from key battleground states and members of the former President's legal team. Through seven hearings the Committee has sought to demonstrate how President Trump was told repeatedly that the election was not stolen, and yet he continued to push "The Big Lie." The Committee has also used these public hearings to show that President Trump used the power of the presidency to pressure officials at nearly every level of the federal government to support his plot to overturn the 2020 election.

Regarding the events of January 6, specifically, the Committee has presented evidence that the [President was told that the protesters who assembled near the White House were armed,](#) yet he sought to limit public safety measures and remove metal detectors to allow armed individuals access to protected areas, stating people in the crowd were ["not here to hurt \[him\]."](#) Trump not only urged those armed protesters to march on the Capitol, but several witnesses stated that Trump intended to join his supporters at the Capitol and people close to the President had advance knowledge of this plan. Once rioters descended on the Capitol, former White House officials testified that [Trump defended the rioters chanting for the hanging of Vice President Mike Pence.](#) Rather than listen to advisers telling him to condemn the violence, Trump issued a tweet criticizing Pence for not having the courage to refuse to count electoral votes, [causing the resignation](#) of White House staff, national security personnel, and Cabinet members.

In the final minutes of the seventh hearing on July 12, Committee vice chair, [Congresswoman Liz Cheney \(R-WY\),](#) said in her closing statement that the former President had tried to contact a committee witness. The matter has been referred to the Justice Department as a suspected effort to influence witness testimony, a crime under federal law. The question of [criminal referral](#) of the former President for his actions has occupied a significant part of the public debate and coverage of the hearings, but this was the first time the Committee has said publicly that it has flagged specific evidence of alleged wrongdoing by Trump for prosecutors. The Committee is expected to release a final report in the fall.

Conservative Supreme Court Issues Far Reaching Rulings

At the end of its 2021-2022 term, the United States Supreme Court released a number of rulings with far reaching implications—they overturned the constitutional right to abortion, expanded gun rights, and limited the Environmental Protection Agency’s power to regulate carbon emissions. This was the first full term in which the Court was dominated by a 6-to-3 conservative majority, including three justices appointed by former President Donald Trump, and the decisions come amid [dropping poll ratings](#) for the Court and a decreasing public confidence in the justice system.

In [Dobbs v. Jackson Women’s Health Organization](#), arguably the most historic and impactful decision of this term, the Court officially reversed *Roe v. Wade* declaring that the constitutional right to abortion, upheld for nearly a half century, no longer exists. The 6-3 decision authored by Justice Samuel Alito, most of which was leaked in May, said that the 1973 *Roe* ruling and repeated subsequent high court decisions reaffirming *Roe* “must be overruled.” This means that abortion will not be available in large swaths of the country and that abortion rights will be rolled back in nearly half of the states immediately, with more restrictions to follow. [Recent polling](#) demonstrates that majority of Americans disagree with the decision, think it was politically motivated, and are concerned the court will now reconsider rulings that protect other rights. In response, President Biden issued an [executive order](#) aimed at preserving some access to abortion services, but again acknowledged Congress has ultimate control over the issue right now. The Administration is also considering declaring a [“public health emergency.”](#)

In a major decision striking down a New York gun law, in [New York State Rifle & Pistol Association Inc. v. Bruen](#) the Court ruled, 6-3, that Americans have a right to carry firearms in public for self-defense, a ruling likely to lead to more people legally armed. This ruling is a major expansion of gun rights and came as Congress was debating gun control legislation and following a series of mass shootings. The court’s decision is somewhat out of step with public opinion, about half of the [voters polled](#) said gun laws in the U.S. should be made stricter.

Another 6-3 decision in [West Virginia v. Environmental Protection Agency](#), the Court ruled to limit the EPA’s ability to regulate greenhouse gas emissions. This will make it more difficult to limit carbon emissions from power plants. The ruling placed new limits on executive power as action on the President’s clean energy investment legislation is stalled in Congress. The decision may also tie the hands of future administrations that want to take aggressive action on climate change.

The Court had a rare moment of comity in a case related to the investigation into the January 6 attack on the Capitol. In a 8-1 decision regarding [Trump v. Thompson](#), the Court ruled that former President Donald J. Trump could not block the release of White House records.

Inflation Heating Up, Avoiding a Recession “Increasingly Challenging”

The latest [Consumer Price Index \(CPI\)](#) showed that prices rose in June, straining household budgets nationwide. According to the Bureau of Labor Statistics, the CPI stood at 9.1% in June, a significant increase from 8.6% in May, jumping at the highest rate in four decades. This poses

a challenge for policymakers who are trying to avoid a recession while dialing back prices. The U.S. Federal Reserve has announced a series of rate hikes that aim to tackle inflation by slowing down the economy, the latest being a 75 basis points increase in June, the largest increase since 1994, and the third interest rate hike of 2022. Many expect another 75 basis points increase to be announced on July 27, some observers say a [historic one percentage-point rate hike](#) is under consideration. The [International Monetary Fund](#) warned that avoiding recession in the United States will be increasingly challenging as it again cut its 2022 U.S. growth forecast to 2.3% from 2.9% in late June.

First Gun Legislation in Decades Signed into Law

Spurred to action after a series of mass shootings that killed 10 Black people at a Buffalo, N.Y., supermarket and 19 children and two adults at a Texas elementary school, 10 Republicans and 10 Democrats, led by Senator Chris Murphy of Connecticut, negotiated the most significant gun measure to clear Congress in nearly three decades. The [legislation](#) focuses on mental health and school safety and includes incentives for states to pass so-called red flag laws that allow groups to petition courts to remove weapons from people deemed a threat to themselves or others. The legislation also expands an existing law that prevents people convicted of domestic abuse from owning a gun to include dating partners rather than just spouses and former spouses. In signing the bill into law, President Biden acknowledged that the legislation fell far short of the sweeping measures he has pushed for but stated “we are doing something consequential” and [called for further action](#). The signing of the first meaningful gun legislation in decades produced an interesting split-screen coming the same week that the Supreme Court struck down a New York law limiting where gun owners could carry a firearm outside the home, citing the Second Amendment.

Schumer and Manchin Talk Reconciliation

Majority Leader Schumer and Senator Manchin continue to negotiate a budget reconciliation package. The two Senators have been going back and forth for months and recently reached a deal on prescription drug pricing reform. They have also reportedly made progress on proposals to raise taxes on some high-income earners. There are outstanding issues related to a package of provisions to fight climate change, including clean energy manufacturing tax credits, a fee on methane emissions and a fee on carbon-intensive imports, such as steel. The global corporate tax provisions included in the House-passed reconciliation measure are also in question and neither the tax nor climate elements have been agreed to by all Senate Democrats. Schumer hopes to bring legislation to the Senate floor before the August recess. The deadline for action is September 30, the end of the fiscal year, when the budget reconciliation instructions will expire.

USICA-COMPETES Act Prospects

The prospects for conference negotiations on the bipartisan innovation and economic competitiveness bill (USICA-COMPETES Act) dimmed as Senate Minority Leader Mitch McConnell (R-KY) threatened to derail conference talks if Majority Leader Schumer moves forward with a separate, Democrat-only, reconciliation bill. In a tweet on June 30, McConnell said [“Let me be perfectly clear: there will be no bipartisan USICA as long as Democrats are](#)

[pursuing a partisan reconciliation bill.”](#) The House passed the [America COMPETES Act](#) in February, a measure that would authorize nearly \$130 billion in research and development spending across Department of Energy (DOE) and the National Science Foundation for a variety of technologies seen as critical to the 21st-century economy, like artificial intelligence, supercomputing and advanced manufacturing. The Senate passed its own legislation, the [U.S. Innovation and Competition Act](#) (USICA), in June, 2021—that bill would authorize \$17 billion for DOE’s national labs over five years in addition to nearly \$80 billion for the National Science Foundation and a new technology commercialization directorate at the agency. There are significant differences between the chambers that conference negotiators have been working to reconcile for the last several months. The legislation, a priority for leadership in both parties in both chambers, that is designed to make the U.S. more competitive against China, has been taken hostage and McConnell is trying to force Democrats to choose between the competition bill and a Democrat-only reconciliation package. [House Democrats](#) are now considering bringing forth the Senate-passed USICA to break the stalemate. Commerce Secretary Gina Raimondo and Defense Secretary Lloyd Austin [wrote lawmakers](#) warning of potential consequences if Congress fails to pass the Creating Helpful Incentives to Produce Semiconductors (CHIPS) in America Act, a measure aimed at investing in the semiconductor industry in the United States that is included in the USICA bill.

Personnel Updates

Department of Commerce – **Richard DalBello** is head of the Office of Space Commerce.

Department of Defense – **Major General Ross Coffman** is now head of Army Futures Command. **Ashish Vazirani** was confirmed as deputy undersecretary of defense for personnel and readiness. **Milancy Harris** is the nominee for deputy undersecretary of defense for defense for intelligence. **Radha Iyengar Plumb** the nominee for deputy undersecretary of defense for acquisition and sustainment.

Department of Justice – **Steven M. Dettelbach** was confirmed as Director, Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Department of State – **Naz Durakoglu** was confirmed as assistant secretary legislative affairs. **Alan M. Leventhal** was confirmed as Ambassador to the Kingdom of Denmark. The following Ambassadorial nominations were announced: **Julie D. Fisher** for Cyprus; **Robert Forden** for the Kingdom of Cambodia; **Henry V. Jardine** for Mauritius and the Republic of Seychelles; **Kristina A. Kvien** for the Republic of Armenia; **Richard Mills, Jr.** to Nigeria; **Christopher T. Robinson** for Latvia; **Lucy Tamlyn** for the Democratic Republic of the Congo; **Pamela Tremont** for Zimbabwe.

USAID – **Rolfe Michael Schiffer** was nominated as assistant administrator for Asia.

White House – Communications Director **Kate Bedingfield** will leave the White House in late July. White House counsel **Dana Remus** will soon depart, her top deputy **Stuart Delery** is the replacement. **Keisha Lance Bottoms**, the former mayor of Atlanta, was named senior adviser to the president for public engagement.

*All statements of fact and expressions of opinion contained herein are the sole responsibility of the author. This newsletter was produced on Wednesday, July 13. Developments after that date will be covered in the next issue of **The Real Deal**.*