

Dear Friends,

This week the House passed, and President Biden signed, H.R. 1319, "the American Rescue Plan Act of 2021," a \$1.9 trillion COVID relief plan that provides additional federal relief to American families and businesses, an extension of unemployment insurance, \$350 billion in state and local aid, billions for vaccines and therapeutics, testing, and contact tracing, among other provisions. The bill brings the total amount of federal funding allocated in response to the pandemic to approximately \$6 trillion. It was considered through a streamlined budget reconciliation process, and originally passed the House on February 27th on a party-line vote, was amended and then passed by the Senate on March 6th, again on a party-line vote with no Republicans voting in favor. The House passed the Senate-amended version on March 10th, and President Biden [signed](#) it quickly thereafter. See below for more details on the legislation.



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With his priority COVID package in the rearview mirror, many observers now expect President Biden to turn to an infrastructure and climate bill as the next major legislative piece of the Covid response, though the size and specific contours of that plan remain unclear. This "Build Back Better" recovery plan would represent the second phase of his two-part plan to address the pandemic and its impact on the economy.

If you have questions on any of the issues referenced below, or need additional details or help, please don't hesitate to email or call us.

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¹ The March monthly policy review, courtesy of *PolticoPro's* "CEO Report," provides a "high-level outlook on the policy issues driving the month ... and beyond." This month, as President Biden's cabinet picks are steadily working their way through the Senate, the Pro policy teams took a deep dive into what exactly the new agency agendas look like as we pass the halfway mark into the first 100 days of the Biden Presidency.

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I. President Biden's "American Rescue Plan"

This week's final action in Congress on the "American Rescue Plan Act of 2021" was the culmination of a COVID response plan initially laid out by [President Biden in mid-January](#). At the time, he indicated it would be an ambitious "emergency legislative package to fund vaccinations, provide immediate, direct relief to families bearing the brunt of the COVID-19 crisis, and support struggling communities." Arguably much of the proposal [mirrored what House Democrats had proposed](#) in earlier versions of the HEROES Act, relief legislation considered by the House first in May of 2020 and then in October 2020.

As noted in our last update, House and Senate Democrats used a process called "budget reconciliation" to pass the legislation, an arcane budget tool that provides for streamlined procedures in the Senate and circumvents the 60-vote threshold for most legislation. However, reconciliation is not without limits, and Senate Democrats were forced to make some changes to the bill as passed by the House to abide by the constraints of what is known as the "Byrd Rule," a rule designed to ensure that each provision in reconciliation has more than an incidental impact on spending or revenues – ensuring they are truly budget-related provisions. As a result, a proposed increase in the federal minimum wage to \$15 that was in the House-passed bill was scrapped. A [few other changes](#) were made to the bill in the Senate as well, forcing a second House vote on the package. Otherwise, the bill remained mostly intact. The text of the \$1.9 trillion measure can be found [here](#). Here are some of the major provisions:

- \$14 billion for COVID-19 vaccines and therapeutics;
- \$50 billion for COVID-19 testing, contact tracing, and mitigation efforts;
- An extension to September of the CARES Act's \$300-per-week supplemental federal unemployment benefit (set to expire March 14th);
- Tens of billions of dollars to increase federal subsidies for health insurance premiums under the Affordable Care Act (ACA), as well as a major, albeit temporary, [expansion of income eligibility for ACA subsidies](#); the federal government will also fully subsidize [the cost of COBRA health insurance premiums](#) through September 30th for workers who become unemployed or are furloughed due to the coronavirus public health emergency;
- Funding for a second extension of the payroll support program for airline workers, as well as funding for Amtrak, assistance to airports, and funding to continue a payroll support program for aviation manufacturing companies;
- A massive [new expansion](#) of the child tax credit, allowing households with children to claim up to \$3,600 for younger children or \$3,000 for children age 6 or older regardless of income; the credit was also made refundable, breaking the previous policy of tying the credit to work, and will also be paid out monthly (or quarterly) for the first time;
- \$350 billion for state and local governments to address revenue shortfalls; and
- A third round of stimulus checks to most Americans; most (earning under \$75,000/\$150,000 per year) will receive \$1,400, plus an additional \$1,400 for each dependent. The bill drops eligibility much more quickly than the last round of checks, phasing out completely for single filers at \$80,000 and joint filers at \$160,000.

II. Capitol Hill Security and the Aftermath of January 6th

After the January 6th attack on the Capitol, a four-mile-long, seven-foot-high [security fence](#) – complete with razor wire – was installed around the Capitol complex to provide added security in the wake of the attacks and to address concerns about other near-term threats. The fencing has made public access to the Capitol, which had already been restricted due to the pandemic, incredibly changing. What is typically a relatively open campus with easy, albeit secure, access to the House and Senate office buildings is now mostly closed except for staff, members, and escorted guests. While the acting chief of the U.S. Capitol Police [called in late January](#) for permanent fencing, [demands are growing](#) on both sides of the aisle for the fencing to come down to restore public access. It is quickly becoming a political issue.

Meanwhile, several oversight hearings have been held on Capitol Hill as members continue to seek information about the events leading up to the January 6th attacks, and why the Capitol was unprepared, including [one several weeks](#) ago where the former Chief of Capitol Police, Steven Sund, the former House Sergeant at Arms, Paul Irving, and the former Senate Sergeant at Arms, Michael Stenger, all of whom resigned in the wake of the attack, testified. Much of their testimony related to a lack of specific, actionable intelligence ahead of the attack, though it mostly led to more questions. Last week, the commanding general of the D.C. National Guard, Major General William Walker, [testified in the Senate](#) and claimed that he had received a call for National Guard troops from the then-chief of the Capitol Police around 1:49 pm the day of the riot, which he relayed immediately to the Pentagon, but that Guard troops didn't arrive at the Capitol until after 5 p.m. that day. As Congress continues to learn more about what happened that day, including why the Guard's response was delayed, there are growing [calls](#) for a bipartisan 9/11-style commission to investigate the riots, with members in both parties in the House and Senate signaling support. Unfortunately, the idea has stalled over [disagreements](#) about the partisan makeup of the commission and the scope of the investigation.

III. OMB Report – Alarming Debt and the Deficit Figures

In early March, the Congressional Budget Office (CBO), Congress's non-partisan budget scorekeeper, released its "[2021 Long-Term Budget Outlook](#)," and it painted an alarming picture of the country's long-term fiscal situation. Each year CBO provides its projections of what federal debt, deficits, spending, and revenues would be for the next 30 years under current law, also known as a "baseline" projection. The latest projections, calculated before congressional action on the American Rescue Plan, do not account for the \$1.9 trillion in new spending approved in the bill.

In its report, CBO projects the federal budget deficit (e.g., the difference between revenues and spending) to reach 10.3 percent of gross domestic product (GDP) in 2021, the second largest percentage since 1945, and reaching 13.3 percent by 2051 – well above the 50-year average of 3.3 percent. By the end of 2021, federal debt held by the public (which excludes the debt government owes itself) is expected to reach 107 percent of GDP, the highest debt-to-GDP ratio in U.S. history. By 2051, the debt is projected to double to 202 percent of GDP. While short-term deficit projections reflect an unusual fiscal response to address a historic pandemic – and those deficits should lessen in the short-term as the pandemic recedes and economic growth returns – the longer term projections reflect a massive structural imbalance driven by a growth in mandatory spending for federal entitlement programs, including Medicare, Medicaid, and Social Security. The issue of entitlement spending and what to do to put these programs on a more sustainable fiscal path, in order to avoid massive benefit cuts, tax increases, or a combination of

both, is something that neither party has heretofore been willing to meaningfully address (other than President George W. Bush's Social Security [initiative](#) in 2004/05).

While there has been bipartisan support in Congress for the deficit spending required to respond to the COVID public health emergency, these latest numbers could begin to focus Congress on the perils of the long-term debt. That could make [deliberations](#) on this year's budget, the annual spending bills, and most importantly Biden's proposed infrastructure and climate package, which some estimate at between \$2 and \$3 trillion, much more complicated, or at the very least bring the idea of tax increases (corporate rates; investment taxes; a new carbon tax) into the equation as members seek to at least partially cover the costs of the anticipated infrastructure and climate proposal.

IV. Congressional "Earmarks" – Status

This year may mark the return of congressional "earmarks" in spending and authorization bills after a 10-year hiatus. House Democrats have indicated that they intend to resurrect earmarks – rebranded "[community project funding](#)" – in this year's annual spending bills, ending a moratorium on the practice imposed in 2010. Senate Democrats appear to be headed in that direction as well. Republicans in the House and Senate have not yet indicated whether they will also support project funding, as it remains controversial inside the Republican conference. Indeed, it would likely require a change in internal Republican Conference rules which currently include a ban. However, with Democrats in control of both chambers, Republican support for the practice won't affect whether or not Democrats are able to include congressionally-directed spending in the bills they consider.

House Democrats, however, are expected to propose new restrictions on the practice to prevent some of the abuses of prior years that led Congress to institute the ban in the first place. While the exact details of their proposal are not entirely clear, reports indicate the new rules could include: for-profit entities will not be eligible; members will be limited to ten (10) requests per year; members must provide evidence of local and community support; there will be heavy transparency and accountability (such as public posting of requests; a look-back review and audit by the General Accounting Office (GAO)).

V. Policy Look-Ahead – March

A. Quick Fix

Reversing the pandemic's effects has already begun. Leadership positions at agencies are still widely vacant, but top political appointees across the government have emphasized pandemic-related issues as the first order of business, especially at Health and Human Services (HHS) and the Education Department.

Climate change is a government-wide strategy. Janet Yellen at the Treasury, Tom Vilsack at United States Department of Agriculture (USDA) and Pete Buttigieg at Transportation are among the many officials ready to launch initiatives in line with Biden's agenda on climate change. Representative Deb Haaland, once confirmed, also plans to make climate policy a priority.

Immigration overhaul is next. Officials are still looking for places to further Biden's agenda, looking to the Department Homeland Security (DHS) for policy changes, but immigration is still exceedingly sticky politically.

B. Health Care

HHS makes early moves on Obamacare, Medicaid – Even with top positions still open at the Department of Health and Human Services and Food and Drug Administration (FDA), the departments are still making moves to expand health coverage and unwind some Trump Administration policies. At the forefront is a reopening of Obamacare markets for a special three-month enrollment period, accompanied by a \$50 million outreach campaign. The move could help an estimated nine million people get free or subsidized coverage, and millions more could purchase it without financial assistance. The number of actual sign-ups still hinges on Biden's stimulus package enacted by Congress, which would expand ACA subsidies and change how they are calculated to make coverage more affordable for more people. It would be the first significant expansion of the law since it was passed in 2010.

The department has also begun unraveling Medicaid work requirements, telling states that conditioning aid on employment does "not promote the objectives of the Medicaid program." The Centers for Medicare and Medicaid Services pointed to the pandemic as reason for dismantling the policy, saying it risked causing a "substantial" loss of coverage. That has sparked backlash from some red states that sought to overhaul their programs with the Trump Administration's encouragement. The administration separately asked the Supreme Court to scrap a March hearing on the work rules.

The top ranks of the department should now gradually fill in the coming weeks. HHS Secretary-designate Xavier Becerra had a [fairly smooth ride](#) through a pair of Senate confirmation hearings February 23rd and 24th and is likely to be confirmed. Next up in the pipeline for [confirmation votes are Rachel Levine](#) for assistant health secretary, [Vivek Murthy for surgeon general](#) and [Chiquita Brooks-LaSure for CMS administrator](#).

The biggest unknown may be who will lead the FDA as it continues to oversee the development of new COVID vaccines and treatments, and handles myriad other regulatory functions. Acting Commissioner Janet Woodcock has strong support within the biomedical research community, but has also drawn some criticism for her involvement with the agency's oversight of opioids and certain past regulatory decisions. — Adriel Bettelheim

C. Budget and Appropriations

Office of Management and Budget (OMB) in disarray – The Biden Administration is building an army of progressive budget geeks to run OMB, installing a handful of top liberal aides to remake the agency. However, there are limits to the budget office's effectiveness without a Senate-confirmed chief, and the White House still has not nominated a replacement to run OMB after their original nominee, Neera Tanden, withdrew her nomination.

White House Press Secretary Jen Psaki said that the administration doesn't have a target date for the release of its fiscal 2022 budget request, adding that, "the lack of a confirmed head of OMB certainly doesn't help to expedite the process." The budget office will also be charged with executing much of Biden's plan to stem the spread of the Coronavirus and bolster the economy under the \$1.9 trillion stimulus plan, [H.R. 1319](#), cleared by Congress.

Senate Democrats are proceeding with the confirmation process for Shalanda Young, the president's nominee to be deputy director of OMB and a longtime congressional aide who is well-liked among lawmakers from both parties. Senator Richard Shelby (R-Ala.) said recently that

he would support Young's confirmation to OMB director if Biden was to elevate his pick. — Jennifer Scholtes

D. Education

Cardona inherits school reopening mess – Miguel Cardona took the helm at the Education Department after a relatively smooth and bipartisan confirmation process — but now he'll confront an education system in disarray from the pandemic. Cardona and the White House have said his number one task will be trying to reopen the nation's schools and working toward Biden's goal of having in-person instruction at a majority of K-8 schools by the end of April. Cardona will not control whether schools reopen or remain closed, but expect him to use the bully pulpit to help amplify public health guidance from the administration's health experts. He will also be responsible for doling out hundreds of billions of dollars of Coronavirus-relief funds passed by Congress for states, schools, and colleges.

Testing decisions await: Cardona will also have to decide how much leeway to give states as they conduct federally mandated standardized testing this year. The Biden Administration has vowed to keep the requirement, but offer flexible options for states to administer the tests — and how the results are used to judge the performance of schools.

On higher education, Cardona steps into a raging debate among Democrats over whether his agency should wipe out large swaths of outstanding federal student loan debt through executive action. The Biden Administration has punted on the issue so far – announcing a forthcoming legal review of whether it has the power to cancel debt on its own and inviting Congress to pass legislation. However, Cardona will likely be pressed to take a position on the issue, as he takes control of the nation's \$1.5 trillion portfolio of student debt.

New rulemaking – Cardona will also be responsible for carrying out Biden's campaign promises to reverse many of former Education Secretary Betsy DeVos' policies, including scrapping her Title IX rules and reinstating tougher rules on for-profit colleges. The Biden Administration is also expected to issue new guidance on the federal civil rights of transgender students in schools. — Michael Stratford

E. Finance and Tax

Yellen takes on climate – Treasury Secretary Janet Yellen has spent most of the early days of her tenure focused on getting the president's \$1.9 trillion relief package over the finish line, coordinating with foreign officials on efforts to contain the damage from the pandemic, and meeting with local officials, activists, and business groups on the administration's agenda. High on the priority list for the next few months: climate change. Yellen says she plans to start a new Treasury "hub" that would examine financial system risks arising from global warming, and she has indicated that her department is interested in helping regulators develop stress tests to examine the climate-related risks faced by financial institutions.

On the tax front, Yellen has assured her counterparts abroad that the U.S. will "re-engage" in discussions over revamping the international tax system, particularly as it pertains to taxing tech giants that may have little physical presence in countries where they make significant amounts of money. Former President Donald Trump's treasury secretary, Steven Mnuchin, pulled back from the talks last year amid several disagreements.

Yellen is also likely to play a major role if Biden pushes legislation to boost domestic taxes on corporations and wealthy individuals, as he promised to do during the presidential campaign. That effort has been on hold given the state of the Coronavirus-battered economy.

Small business rescue – Biden is wasting little time overhauling economic relief efforts run by the Small Business Administration (SBA). Even as his pick to lead the agency, Isabel Guzman, awaits Senate confirmation, the SBA implemented several changes to its Paycheck Protection Program (PPP). Still, the administration was facing complaints that minorities and other potential borrowers are being overlooked. Therefore, the Biden team made PPP loans available exclusively to the smallest businesses for two weeks and made sole proprietors eligible for more funds. The big question now is whether Biden will agree to extend the popular program beyond its March expiration date.

Fudge's two big tasks – Once Marcia Fudge is confirmed as Housing and Urban Development (HUD) Secretary, her top priority will be restoring two Obama-era fair housing rules rolled back by the Trump Administration. One would require local governments to actively track and address patterns of segregation or else lose federal housing funds. The incoming administration also wants to restore HUD's 2013 disparate impact rule, which holds governments and businesses accountable for policies with unintentional discriminatory effects. A federal judge in October issued a preliminary injunction to stop the agency from implementing the Trump Administration's new version of the rule, which would have required plaintiffs to meet a higher threshold to prove unintentional discrimination and given defendants more leeway to rebut the claims.

Securities and Exchange Commission (SEC) awaits new boss – The administration will focus in March on the nomination of Gary Gensler to lead the SEC. Gensler, [whose confirmation hearing](#) was on March 2nd before the Senate Banking Committee, will arrive at the agency at a time when it's under heightened scrutiny, most recently because of the trading frenzy in GameStop and other stocks discussed on the Reddit website. He will also face key decisions on how far to press companies to disclose more about their impact on climate change. — Mark McQuillan

F. Energy

Environmental Protection Agency (EPA) interior nominees poised to move – Michael Regan was finally [confirmed](#) as EPA Administrator this week on a bipartisan vote. The relatively slow process was more due to the Senate's sluggish pace than any serious opposition. After North Carolina Republican Senators Richard Burr and Thom Tillis showed up to introduce him at his February confirmation hearing, most Republicans on the Senate Environment and Public Works Committee admitted to liking Regan personally – even as they loathe Biden's environmental agenda. Ultimately, the panel's ranking member, Senator Shelley Moore Capito (R-W.Va.), and five more Environmental and Public Works (EPW) Republicans voted against him as a proxy vote against Biden's agenda and the Green New Deal.

Meanwhile, on March 3rd, the committee [held a hearing](#) for his deputy nominee, former EPA Air Chief Janet McCabe.

Moreover, Representative Deb Haaland won [approval from the Senate Energy and Natural Resources Committee](#) to have her nomination as Interior Secretary reach the full chamber. Haaland, a progressive New Mexico Democrat, dialed back some of her outspoken criticism of fossil fuels and told senators at her hearing she recognized the importance of the industry for jobs and revenues it supplied to state coffers. However, she also offered full support to Biden's plans to speed along development of renewable energy and conservation of U.S. land.

Senator Joe Manchin, a key Democratic swing vote, in the end voiced his support for Haaland, all but guaranteeing enough votes for her approval, likely to come next Monday, to become the first Native American cabinet member in U.S. history. — Alex Guillen and Ben Lefebvre

G. Labor

Waiting on Walsh at labor – Boston Mayor Marty Walsh is still awaiting a full Senate vote on his nomination to be Secretary of Labor. The former head of a building trades union federation, Walsh drew bipartisan praise during his nomination hearing last month, suggesting he will likely be confirmed when his nomination reaches the floor.

Biden has vowed to step up the federal government's policing of workplace safety during the pandemic, and Walsh has said one of the "first top priorities" at the department would be addressing that issue. While Walsh declined to explicitly endorse issuing mandatory Coronavirus workplace safety standards — as unions, Biden and congressional Democrats have called for — during his nomination hearing, he said they should not be seen as "terrible" for businesses. At the end of January, the Occupational Safety and Health Administration (OSHA), currently being led by Principal Deputy Assistant Secretary Jim Frederick, strengthened its guidance for employers on how to protect workers from the Coronavirus.

Frederick is facing a March 15th deadline to decide whether OSHA should issue an emergency Coronavirus workplace safety standard. One of Biden's early executive orders directed the agency to decide by mid-March whether it was necessary for OSHA to mandate safety precautions employers must take to limit exposure and, if so, to issue an emergency temporary standard. So far, there hasn't been any sign of whether OSHA will issue a safety rule or simply release more non-mandatory safety recommendations for workplaces, although Frederick has said that the January guidance was "not going to be the last step in the process" of responding to Biden's order. At the end of February, two top Republicans on the House Education and Labor committee sent a letter to Acting Secretary of Labor Al Stewart pressing him on the status of the emergency temporary standard, concerned that the business community wouldn't have the opportunity to weigh in. — Rebecca Rainey

H. Immigration

Reversing Trump's immigration policies – Homeland Security Secretary Alejandro Mayorkas was tasked by Biden last month to conduct several reviews of agency policy and issue recommendations on how to overhaul the existing immigration system and create a "fair and humane" one.

Mayorkas is crafting new enforcement guidance for how U.S. Immigration and Customs Enforcement (ICE) agents will handle migrant arrests, detentions, and deportations; he has until mid-May to issue them. In the meantime, temporary guidance has been issued that requires ICE to focus on undocumented immigrants who pose a national security, border security, or public safety risk — a major shift away from the Trump Administration's more aggressive enforcement approach. In addition, a Trump-era ban on issuing work visas amid the pandemic is set to expire at the end of March. Biden has not weighed in on whether he will extend the ban or end it earlier.

The Biden Administration is slowly scaling up a program it launched last month to begin allowing migrants into the U.S. who, because of a Trump-era policy, have been forced to remain in Mexico

while their asylum cases are processed. There are an estimated 25,000 migrants to be brought in, so it will not be a quick process.

On Capitol Hill – The House could vote on immigration legislation soon. Democrats, namely members of the Congressional Hispanic Caucus, are pushing to ensure the House moves immigration reform legislation before April 1st. However, getting any immigration-related bill through the Senate will be a challenge. In addition, Democrats and immigrant advocates are currently pushing for Biden's sweeping immigration reform bill, while recognizing that a piecemeal approach of passing smaller bills is much more realistic. — Sabrina Rodriguez

I. Agriculture

Pandemic response, racial equity, and climate change in focus – Secretary Tom Vilsack, confirmed by the Senate and sworn in at the end of February, is positioning the Agriculture Department to ramp up its pandemic response and launch new initiatives in line with Biden's agenda. The USDA has spent the initial weeks of the Biden Administration reviewing programs and regulations started by the Trump Administration. So far, it has decided to extend until April the Farmers to Families Food Box program for hungry Americans. Now that Vilsack is in place, the department is expected to make certain changes that could translate to how money is distributed among farmers and families in need of food assistance. Vilsack has also promised to deal with systemic discrimination at the department that has resulted in many Black farmers being shut out of USDA programs.

Vilsack indicated to reporters on his first day that addressing climate change will be an early order of business, but declined to provide details on the department's approach. He suggested that any new USDA proposals could be an experiment for longer-term projects to be included in the next farm bill, which needs to be reauthorized in 2023.

Before Vilsack was in place, Congress gave additional aid to address effects of the pandemic on the food and agriculture sector, including Supplemental Nutrition Assistance Program benefits. USDA also issued policies to extend an eviction moratorium on housing supported by agency funding, suspend debt collection and foreclosures for producers, and expand benefits for families with children who received food aid money through a program called Pandemic EBT. — Liz Crampton

J. Transportation

Equity and climate change top Department of Transportation (DOT) agenda – So far, action at the DOT has been focused on Secretary Pete Buttigieg and his impressive amount of TV appearances, where he has been more often a generic surrogate for Biden than a transportation talking head. Nevertheless, the agency he heads has already made an early mark with a focus on equity and combating climate change, two pieces of policy that Biden has made cornerstones of his administration. Buttigieg mentions equity in particular in virtually every appearance or press release, but most significantly so far, DOT has also modified some of its early grant rounds to elevate both equity and climate change in the funding decisions it plans to make.

In addition, significantly, Biden's early picks for the National Highway Traffic Safety Administration, which is in charge of driving down traffic deaths and fatalities, as well as helping craft fuel economy standards for vehicles, have a long green resume. The picks were broadly seen as a purposeful attempt to elevate the agency's role in climate change in vehicles. —

K. Cannabis

Top officials likely to be marijuana industry allies – The key cabinet officials overseeing cannabis policy are likely to prove much more open to protecting the quasi-legal industry than their counterparts in the Trump Administration. Attorney general nominee Merrick Garland will have the most direct role to play in determining federal cannabis policy. During his confirmation hearing before the Senate Judiciary Committee, Garland indicated that he did not think it would be a wise use of federal resources to crack down on state-legal marijuana markets, suggesting the Justice Department may reinstate something akin to the Cole Memo. That document was rescinded by the Trump Administration, but there was no ensuing crackdown on state-legal markets.

The other key official will be Becerra, an unabashed champion of California's marijuana industry during his tenure as the state's attorney general. Becerra has pushed for loosening federal restriction on banking and criticized the Trump Administration's decision to rescind the Cole Memo. While Becerra will have little direct authority over federal cannabis policy as HHS secretary, he could petition the attorney general to change the classification of marijuana under the Controlled Substances Act. Currently, it is treated as a Schedule I narcotic along with heroin and LSD. — Paul Demko

L. Defense

Pentagon sprints to prepare its next budget – With just two months to go before the Defense Department submits its fiscal 2022 budget proposal to Congress, the Pentagon is avoiding an exhaustive review of the document and is instead focusing on big-ticket programs — ships, aircraft, nuclear weapons — to decide if their priorities match those of the new administration. No one is forecasting major cuts, but budgets are expected to be flat, and officials know they need to make trade-offs between older weapons and newer technology. Nominations for top positions have been slow to ramp up. Only two of the department's top officials have been confirmed and its would-be policy chief is awaiting his confirmation hearing. However, expect those nominations to ramp up as soon as the Pentagon looks to install service secretaries and other top jobs. The department, meanwhile, is mainly in a policy holding pattern as it kicks off a series of reviews, including a look at the National Defense Strategy, global troop presence, extremism in the ranks, and shipbuilding. — David Brown

M. State

State Department trips off to a start – Secretary of State Antony Blinken has spent his first few weeks in office declaring that the United States is “back,” ready to strengthen frayed ties with its allies, and willing to tell hard truths to its adversaries. In the coming month, he will have more opportunities to show what that means. Last week, Blinken engaged in virtual “trips” to Canada and Mexico. In March, he is expected to take more such virtual excursions. Although the department has not revealed where he will go, the safe bet is allied European countries such as Germany, France, and the United Kingdom.

Blinken also may appear in some form at the United Nations Security Council because the U.S. will hold that body's rotating presidency in March. Any speech he gives to the Council will be heavily vetted for references to U.S. rivals, such as China and Russia. The forum also is a good venue for Blinken to make major announcements about new initiatives.

There also could be some significant movement on the Iran nuclear deal. European officials have floated invitations to Iran and the United States for an informal gathering, likely next month, in which the two countries can discuss ways to resurrect the 2015 agreement. Details of that gathering are still fuzzy, but Blinken is likely to be involved in some fashion. — Benjamin Pauker

N. Trade

Raimondo, Tai to play major roles in rebuilding the economy – The Senate [confirmed](#) Rhode Island Governor Gina Raimondo as the next Commerce secretary. Raimondo has yet to lay out specific policy objectives, but she plans to play a key role in rebuilding the economy and combating climate change — two pillars of the president's agenda.

She will also help to shape Biden's economic and national security response to China, particularly implementing export controls on sensitive technology and other products. The biggest snag during Raimondo's confirmation process came when she would not commit to keeping Chinese telecom giant Huawei on a Commerce Department black list.

Raimondo is likely to soon be enmeshed in trade battles with Beijing alongside Katherine Tai, Biden's choice to lead the Office of the U.S. Trade Representative. Tai [sat before the Senate Finance Committee](#) for her nomination hearing February 25th, during which members of both parties offered endless praise for her experience bringing trade disputes against China and her role negotiating the U.S.-Mexico-Canada Agreement. Tai pledged to be tough on China and collaborate with foreign allies, but ultimately to keep U.S. workers top of mind in future trade talks. The Biden Administration has said hammering out new trade deals is not a priority, but Tai told lawmakers she does not expect "to be put on the back burner." — Stephen Overly

O. Tech and Cybersecurity

Investigation SolarWinds, strengthening defenses – The Cybersecurity and Infrastructure Security Agency (CISA) recently received an infusion of senior officials, with Biden appointing a deputy director and leaders for the agency's two main divisions. While Biden has yet to nominate a director to head CISA, it's pushing ahead with investigations into the sweeping SolarWinds hack, in which suspected Russian hackers are believed to have targeted at least nine agencies and 100 companies. CISA analysts are helping their counterparts at other agencies pore through network data to determine what the hackers accessed and what they took.

As the SolarWinds investigation continues, some lawmakers have questioned whether CISA has the resources and authorities needed to get its arms around a compromise of this magnitude. During a recent [hearing](#), House Homeland Security Committee ranking member John Katko (R-N.Y.) reiterated his concern that CISA lacks sufficient visibility into other agencies' network traffic and sufficient authority to require them to make security improvements. Some lawmakers and policy specialists have floated the idea of formally turning CISA into the entire civilian government's defender, transferring authorities, resources, and personnel from agencies' own cybersecurity offices into CISA and empowering it to monitor and defend their networks on their behalf. — Eric Geller

Still in limbo at Federal Communications Commission (FCC) and Federal Trade Commission (FTC) – Biden has yet to name a permanent chair at the FCC, which is currently evenly split right now between Democrats and Republicans. That means acting FCC Chair Jessica Rosenworcel

needs Republican support to move forward with any potential cases or rulemakings for the foreseeable future.

The FTC is in a similar situation – still awaiting a permanent chair and split between two Republicans and two Democrats. One big issue that is likely to get attention once Biden makes his pick: rulemakings to ban non-compete agreements. Democrats on the commission would like to adopt rules to limit or outright bar the use of non-competes for low-wage workers, while Republicans oppose such a move. For the moment, acting FTC Chair Rebecca Kelly Slaughter is concentrating on privacy issues arising out of education technologies as well as biased algorithms and facial recognition. — Leah Nylan