



Arnold & Porter

Innovative. Integrated. Industry-Focused.

Capital Snapshot

January 2024

This Month's Capital Snapshot Deck Includes

- An overview of the upcoming congressional schedule, including key dates in January 2024
- A run-through of notable congressional developments, including FY24 government funding, House Republicans' impeachment inquiry into President Joe Biden, and impeachment proceedings for U.S. Secretary of Homeland Security Alejandro Mayorkas
- An update on developments, outlook, and priorities for key policy and legislative areas
- An outlook on the current Congress and the state of play for the 2024 congressional and presidential elections
- A look at current trends and factors that could impact the 2024 political and legislative landscape

Table of Contents

- Congressional Schedule for January 2024..... Slide 4
- Recent Significant Developments in Congress..... Slide 7
- Legislative and Policy Updates and Overviews..... Slide 15
 - Department of Defense and the FY24 NDAA..... Slide 16
 - Tax Update..... Slide 17
 - Financial Services Update..... Slide 18
 - Energy and Environment Update..... Slide 19
 - Education Update..... Slide 22
 - Health Care Update..... Slide 25
 - California Update..... Slide 32
- State of Play of the 2024 Elections..... Slide 34
- Factors That Could Impact the Political Landscape..... Slide 50

Congressional Schedule for January 2024

January 2024 House Calendar

- There are currently 11 legislative days scheduled in the House for January 2024, with seven legislative days left this month.
- The House will be in recess for the week of January 22. The House will also be out of session on Martin Luther King, Jr. Day (January 15).
- The House is currently scheduled to take its customary annual August recess. The House is also scheduled to take its usual election year October recess.
- Currently, there are 111 legislative days scheduled in the House for 2024.
- There are just four legislative days left until four appropriations bills expire on January 19, 2024, and eight legislative days until the remaining eight appropriations bills expire on February 2, 2024.



January 2024 Senate Calendar

- There are currently 16 legislative days scheduled in the Senate for January 2024, with 11 legislative days left this month.
- The Senate will be out of session on Martin Luther King, Jr. Day (January 15).
- The Senate is currently scheduled to take its customary annual August recess. The Senate is also scheduled to take its usual election year October recess.
- Currently, there are 132 legislative days scheduled in the Senate for 2024.
- There are just four legislative days until four appropriations bills expire on January 19, 2024, and 13 legislative days until the remaining eight appropriations bills expire on February 2, 2024.

DICK DURBIN
Majority Whip

JOHN THUNE
Republican Whip

UNITED STATES SENATE
118th Congress, 2nd Session
2024

TENTATIVE SCHEDULE

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3							1	2
7	8	9	10	11	12	13	4	5	6	7	8	9	10	3	4	5	6	7	8	9
14	15	16	17	18	19	20	11	12	13	14	15	16	17	10	11	12	13	14	15	16
21	22	23	24	25	26	27	18	19	20	21	22	23	24	17	18	19	20	21	22	23
28	29	30	31	25	26	27	28	29	24	25	26	27	28	29	30	31				
<small>SENATE CONVENES JANUARY 8, 2024</small>																				
APRIL							MAY							JUNE						
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30	26	27	28	29	30	31	23	24	25	26	27	28	29	30				
JULY							AUGUST							SEPTEMBER						
	1	2	3	4	5	6				1	2	3	1	2	3	4	5	6	7	
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31	25	26	27	28	29	30	31	29	30								
OCTOBER							NOVEMBER							DECEMBER						
	1	2	3	4	5				1	2	1	2	3	4	5	6	7			
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31	24	25	26	27	28	29	30	29	30	31						

Red dates = Senate not in session

2ND SESSION CONVENES—JANUARY 8, 2024
TARGET ADJOURNMENT—DECEMBER 20, 2024

Recent Significant Developments in Congress

FY24 Appropriations



House Minority Leader Hakeem Jeffries (D-NY), Senate Minority Leader Mitch McConnell (R-KY), Senate Majority Leader Chuck Schumer (D-NY), and Speaker of the House Mike Johnson (R-LA)

- On January 7, congressional leaders announced a bipartisan agreement on the topline numbers for the FY24 funding levels.
- The roughly US\$1.7 trillion agreement aligns with the spending caps constructed by the Fiscal Responsibility Act (FRA) during last summer's debt ceiling negotiations and includes US\$886 billion for defense (3% increase from FY23) and US\$773 billion for non-defense (<1% decrease) spending.
- The agreement also includes “more than US\$16 billion in additional spending cuts to offset the discretionary spending levels” according to the Dear Colleague [letter](#) circulated by Speaker Mike Johnson (R-LA). Specifically, the agreement would:
 - Accelerate US\$10 billion in cuts to the IRS enforcement funding for FY24 and FY25
 - Rescind US\$6.1 billion in unobligated COVID funds
 - Minimize cuts to non-defense discretionary spending, which reflects a side deal established alongside the FRA by President Biden and former Speaker Kevin McCarthy (R-CA)
- House Minority Leader Hakeem Jeffries (D-NY) and Senate Majority Leader Chuck Schumer (D-NY), released a [statement](#) on the framework, urging appropriators to prepare an omnibus package “free of poison pill policy changes.”
- The deal has received mixed reviews in the House Republican Conference, with the Freedom Caucus labeling it, “Totally unacceptable.” On January 11, Speaker Johnson held a series of meetings with concerned Freedom Caucus members.

FY24 Appropriations



Senate Appropriations Committee Leaders Susan Collins (R-ME), Patty Murray (D-WA), OMB Director Shalanda Young, and House Appropriations Committee Leaders Rosa DeLauro (D-CT), and Kay Granger (R-TX)

- A federal government shutdown still looms, as Congress inches closer to the January 19 and February 2 deadlines created in the most-recent Continuing Resolution (CR).
- Under the FRA, if Congress fails to enact all 12 appropriations bills by January 1, 2024, or January 1, 2025, then automatic spending caps at 1% below the FY23 appropriations-enacted levels will be issued. Lawmakers will have until April 30 to enact the FY24 appropriations bills before the 1% cuts are locked in for the full fiscal year.
- On January 4, the Congressional Budget Office sent a [letter](#) to House Budget Committee leaders on the implications of the caps and cuts under the Fiscal Responsibility Act (P.L. 118-5), if Congress triggers these cuts in April.
- The letter also said a year-long CR may save the federal government tens of billions of dollars, especially on non-defense spending. The Office of Management and Budget recently sent a [memorandum](#) with frequently asked questions on the FY24 discretionary limits.
- Senate Appropriations Committee Chair Patty Murray (D-WA) has warned a year-long CR is a non-starter, but it remains to be seen whether Democrats (and Republican appropriations leaders) are willing to compromise to reach a deal in time.

FY24 Appropriations

Upcoming Funding Deadlines:

- Congress has until January 19 to address appropriations for:
 - Agriculture, Food and Drug Administration
 - Energy and Water Development and Related Agencies
 - Military Construction, Veterans Affairs, and Related Agencies
 - Transportation, Housing and Urban Development, and Related Agencies.
- Congress has until February 2 to address appropriations for:
 - Commerce, Justice, Science, and Related Agencies
 - Defense
 - Financial Services and General Government
 - Homeland Security
 - Interior, Environment, and Related Agencies
 - Labor, Health and Human Services, and Education Legislative Branch
 - State, Foreign Operations, and Related Programs
- Another CR will likely be needed by January 19 to avoid a partial government shutdown
 - On January 11, Senate Majority Leader Chuck Schumer (D-NY) took the first procedural step on a new CR



Senate and House Appropriations Committee Leaders Susan Collins (R-ME), Patty Murray (D-WA), Rosa DeLauro (D-CT), and Kay Granger (R-TX)

FY24 Supplemental Aid and Border Security



House Speaker Mike Johnson (R-LA) at the U.S.-Mexico Border in Eagle Pass, Texas.

- Despite bipartisan efforts to advance a package on border security and supplemental appropriations for Ukraine and Israel, the FY24 agreement struck by leadership on January 7 fails to address these matters.
- Amid ongoing negotiations, Speaker Mike Johnson (R-LA) and 60 Republicans traveled to the U.S.-Mexico border to meet with local Texas officials and U.S. Customs and Border Protection officials. The Speaker made clear any border policy package should mirror the Secure the Border Act ([H.R. 2](#)), a measure that has received no Democratic support.
- During the Sunday morning political programs on January 7, Sen. James Lankford (R-OK) said he expects to see legislative text “later this week.” Sen. Chris Van Hollen (D-MD) also agreed that Senators may see a framework relatively soon.
- With razor thin majorities in both the House and the Senate, it remains to be seen how Congress will pass its FY24 spending bills, provide additional emergency aid, and revamp the current border policies in less than a month.

House Republicans' Impeachment Inquiry Into President Biden

- Throughout the last few months, House Oversight Chairman James Comer (R-KY), House Ways & Means Chairman Jason Smith (R-MO), and House Judiciary Chairman Jim Jordan (R-OH) have continued their investigations pertaining to the impeachment inquiry.
- On December 13, the House passed a [resolution](#) strictly along party lines in a [221-212](#) vote to open a formal impeachment inquiry into President Biden.
 - When former Speaker McCarthy originally announced the House's impeachment inquiry in September, he unilaterally announced it — the House did not hold an official vote to open the probe.
 - Republican leadership believes a formal vote on the impeachment inquiry will strengthen the legal authority of their committees' subpoenas.



[from left to right]: House Majority Whip Tom Emmer (R-MN), House Speaker Mike Johnson (R-LA), House Republican Conference Chair Elise Stefanik (R-NY), and House Majority Leader Steve Scalise (R-LA)

House Republicans Consider Holding Hunter Biden in Contempt of Congress

- On January 10, the House Oversight Committee held a [markup](#) to consider a resolution and accompanying report to hold Hunter Biden in contempt of Congress for defying subpoenas to appear for a private deposition.
- In a surprise move, Hunter Biden made an appearance at the Oversight Committee's markup and observed some of the proceedings from the public viewing area before leaving the room during the middle of the markup.
- The House Judiciary Committee also held a [markup](#) at the same time to consider the same resolution and accompanying report.
- Both committees favorably forwarded the resolution to the full House along strict party line votes.
- Hunter Biden rejected these subpoenas in December, but offered instead to testify during a public hearing, rather than a private deposition.



House Oversight Committee Chairman
James Comer (R-KY)

Impeachment Proceedings for Secretary Alejandro Mayorkas

- On January 10, the House Homeland Security Committee [held](#) its first impeachment hearing for Homeland Security Secretary Alejandro Mayorkas. The hearing was titled, “Havoc in the Heartland: How Secretary Mayorkas’ Failed Leadership Has Impacted the States.”
 - Witnesses included Attorneys General from three Republican states (Montana, Oklahoma, and Missouri).
- A House floor vote to impeach Mayorkas seems fairly likely in late-January or early-February. We understand that the House would likely pass an impeachment resolution, as moderates seem open to the idea.
- It has been nearly 150 years since a Cabinet official was last impeached. Secretary of War William Belknap was impeached in 1876.
- House Republicans, led by Homeland Security Chairman Mark Green (R-TN), contend that Secretary Mayorkas has been violating federal law with how he has implemented his immigration policy.
 - Chairman Green recently said in an interview that, “clearly Secretary Mayorkas has basically forced his immigration policy on the country against the laws passed by Congress.”
- Department of Homeland Security (DHS) officials and Democrats assert that the impeachment of Secretary Mayorkas is over policy differences, rather than violations of the law, and is a political stunt.
 - DHS has also argued that while a record number of undocumented migrants were encountered at the border in 2023, U.S. Customs and Border Patrol also removed noncitizens at a high rate and have intercepted large amounts of fentanyl.



Homeland Security Secretary
Alejandro Mayorkas



House Homeland Security Chairman
Mark Green (R-TN)

Legislative and Policy Updates and Overviews

National Defense Authorization Act (NDAA)

Background: The NDAA is the annual defense legislation that sets the budget and priorities of the Department of Defense (DoD). The bill has passed every year for over six decades.

FY24 NDAA Update: On December 14, 2023, Congress passed the final version of the FY24 NDAA ([H.R. 2670](#); [Pub. Law No: 118-31](#)), authorizing US\$874.2 billion for the DoD, and sending the text to the president's desk for signature. The final vote in the House was [310-118](#) and the final vote in the Senate was [87-13](#). The House vote was primarily supported by House Democrats after the controversial DoD abortion travel ban policy was removed from the final text. President Biden officially [signed](#) the NDAA into law on December 22, 2023.

FY25 NDAA: At this time, it is unclear if the FY25 NDAA process will be delayed due to the ongoing FY24 appropriations negotiations. This could lead to a delay in the release of the president's budget, which could in turn delay the NDAA process. Typically, we would expect HASC and SASC to begin drafting the new NDAA text in February and March.



Tax Update

- Dynamics of a bipartisan tax package shifted over recess as the House and Senate high-level talks strengthened to exchange an expanded Child Tax Credit (CTC) for expired Tax Cuts and Jobs Act (TCJA) provisions.
- Tax writers regard the start of the tax filing season as an informal deadline so that changes (such as any increase to the CTC) could be implemented without significantly disrupting the 2023 tax filing season.
- Various factions in Congress have concerns, including conservative Republicans worried about increased spending, progressive Democrats concerned about insufficient CTC spending, high-tax state Republicans seeking a vote on SALT changes, and Senate Republicans concerned about process limitations.
- The proposal's revenue effects are offset by curtailing Employee Retention Tax Credits and increasing related IRS enforcement authorities, and by limiting the ability of businesses to expense foreign R&D costs.



House Ways and Means Committee
Chair Jason Smith (R-MO)



Senate Finance Committee Chair
Ron Wyden (D-OR)

Financial Services Update

- House Financial Services Chair Patrick McHenry (R-NC) is seeking a pathway to move Stablecoin legislation given interest from the Biden administration and congressional lawmakers from both parties, but will need leadership's support in the midst of competing priorities, chiefly government funding and appropriations.
- Chair McHenry's retirement [announcement](#) changes the dynamic about what is possible this year. His exit from Congress tees up a race for a coveted gavel.



House Financial Services Chair
Patrick McHenry (R-NC)



House Financial Services Ranking
Member Maxine Waters (D-CA)

Energy and Environment Updates – Hydrogen Tax Credits

Democrats Split on Hydrogen Tax Credit Guidance. On December 22, the Treasury Department issued [proposed guidance](#) for Section 45V Clean Hydrogen Production Tax credits, addressing questions of timing and criteria for defining “clean” hydrogen to claim the credit.

- Senate Committee on Environment and Public Works Chair Tom Carper (D-DE) argued the guidance did not “fully reflect” the committee’s intent for the tax credit to be “flexible and technology-neutral.”
- Senate Committee on Energy and Natural Resources Chairman Manchin (D-WV) called the guidance a “manipulation of the IRA” which would “make it more difficult to jumpstart the hydrogen market.”
- Senior White House climate advisor John Podesta defended the rules, stating the guidance will build out the hydrogen industry “while including important environmental safeguards,” and Sen. Martin Heinrich (D-NM) argued “Treasury’s guidance gets the balance right” on fostering a new industry while reducing emissions.



Environment and Public Works Committee Chair
Sen. Tom Carper (D-DE)

Energy and Environment Updates – EV Tax Credits

Manchin Questions EV Tax Credit Implementation. In a December 18 [letter](#) to the Government Accountability Office (GAO), Senate Energy and Natural Resources Committee Chair Joe Manchin (D-WV) argued the Treasury’s proposed guidance for Section 30D electric vehicle (EV) tax credits improperly “rewrites” the law by altering battery critical mineral sourcing requirements established by Congress and stretching the meaning of “free trade agreement.”

- Sen. Manchin also requested GAO determine whether Treasury’s proposed guidance may be subject to congressional review under the Congressional Review Act (CRA).

New Guidance Limits EV Models Eligible for Credit.

Beginning January 1, guidance from the Biden administration excluding EVs which feature battery components produced by a Foreign Entity of Concern from qualifying for the EV tax credit reduced the number of models eligible for the credit to 13 from about two dozen.



Energy and Natural Resources
Committee Chair
Sen. Joe Manchin (D-WV)

Energy and Environment Updates – Permitting Reform

House Dems Introduce “Consensus” Permitting Reform Bill.

Co-Chairs of the House Sustainable Energy and Environment Coalition’s (SEEC) Clean Energy Deployment Task Force, Reps. Sean Casten (D-IL) and Mike Levin (D-CA), [introduced](#) on December 13 the Clean Electricity and Transmission Acceleration (CETA) Act

([H.R. 6747](#)), a permitting reform bill combining elements of several previously-introduced permitting, transmission, and environmental justice proposals.

- The bill is intended to be “the consensus transmission and permitting reform bill of the House Democratic Caucus” and has broad support among House Democrats, with 74 additional lawmakers signing onto the bill as cosponsors.
- While the bill has no chance of passage in the Republican-controlled House, parts of the bill could pass as part of a bipartisan compromise package or resurface in a Democratic majority.



Reps. Mike Levin (D-CA) and Sean Casten (D-IL)

Education: Antisemitism on College Campuses

House members will continue examining antisemitism and discrimination on campuses. Notable actions in December included:

- December 5: House Education Committee [hearing](#), featuring university presidents from Harvard, Penn, and MIT. The fallout from this hearing resulted in the resignations of the presidents of Harvard and Penn.
- December 13: the House passed [H.Res. 927](#), which condemns antisemitism on college campuses and the testimony from university presidents during the December 5 hearing.
- December 13: House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) [announced](#) a committee-run email address for stakeholders to report incidents of antisemitism on college campuses.

The Biden administration also will expand activities to combat religious discrimination, including the Department of Education's new [investigations](#) into several colleges related to claims of antisemitism and Islamophobia.



Rep. Elise Stefanik (R-NY), House Republican Conference Chairwoman

Education: Bipartisan Workforce Legislation

- The House of Education and the Workforce Committee [marked up](#) two bipartisan bills in December:
 - Stronger Workforce Act ([H.R. 6655](#)), a bill to reauthorize the Workforce Innovation and Opportunity Act (WIOA)
 - Bipartisan Workforce Pell Act ([H.R. 6585](#)), a bill to expand access to Pell Grants for students in short-term workforce programs
- The committee cleared both measures with bipartisan support; however, six Democrats opposed H.R. 6585 due to:
 - Concerns related to the lack of sufficient guardrails to protect students from for-profit institutions and online programs
 - The pay-for in the bill that would remove federal financial aid access for private institutions subject to endowment taxes
- House leadership has not announced timing for floor consideration, but it could be within the coming weeks.
- Movement in the Senate is less clear. 44 Senators are co-sponsors of a separate bipartisan short-term Pell bill, the JOBS Act ([S. 161](#)), but the Senate has not indicated an interest in reauthorizing WIOA.

House Education and the Workforce
Committee Chairwoman Virginia Foxx (R-NC)



Education: Negotiated Rulemaking Updates

- The Department of Education held its third Negotiated Rulemaking meeting of the Student Loan Relief Committee December 11-12.
 - The meeting featured participation from Sen. Elizabeth Warren (D-MA), who criticized the department’s proposed solution for student debt relief as “falling far short” for what Americans need.
 - The department released a [summary](#) of the meeting and [draft consensus language](#) last month and will now use the consensus language to draft a proposed rule.
- On January 8, the department kicked off the Program Integrity and Institutional Quality Negotiated Rulemaking.
 - The [materials](#) from the department included six issue papers on topics to be considered, including cash management, return of Title IV funds, distance education, state authorization, accreditation, and TRIO.
 - The committee will meet again in February and March to continue to discuss the topics and attempt to come to consensus before drafting proposed rules.

U.S. Secretary of Education Miguel Cardona



House Advances Price Transparency Legislation – Health Updates



House E&C Chair Cathy McMorris Rodgers (R-WA), lead sponsor of the *Lower Costs, More Transparency Act*

- **On December 11, the House passed the Lower Costs, More Transparency Act ([H.R. 5378](#)), as amended, by a [320-71](#) vote.**
 - This sweeping health care package contains an array of transparency and oversight provisions from bills passed by the Energy & Commerce (E&C), Ways & Means (W&M), and Education & Workforce Committees throughout 2023. The Congressional Budget Office (CBO) [projected](#) the bill would reduce the federal deficit by US\$715 million over the next 10 years.
 - On December 14, HELP Chair Bernie Sanders (I-VT) and Sens. Mike Braun (R-IN), Tina Smith (D-MN), and John Hickenlooper (D-CO) introduced the Health Care Prices Revealed and Information to Consumers Explained (PRICE) Transparency Act 2.0 ([S. 3548](#)), which includes similar price transparency provisions as H.R. 5378.
- **Next Steps:** It is possible that health care transparency provisions supported by the House and Senate could be passed as part of FY24 government funding legislation, along with public health program reauthorizations and short-term changes to reimbursements for physician services under Medicare. However, considering the limited time Congress has to strike a spending deal and avoid a government shutdown, we expect policymakers will keep funding legislation as streamlined as possible.

House Advances Price Transparency Legislation – Health Updates



House E&C Health Subcommittee Chairman
Brett Guthrie (R-KY)



House E&C Oversight Subcommittee
Chairman H. Morgan Griffith (R-VA)

- **The House Energy & Commerce Committee has doubled down on its investigation into the FDA’s foreign drug inspection program.**
 - On December 14, Chair Rodgers, Health Subcommittee Chairman Brett Guthrie (R-KY), and Oversight and Investigations Subcommittee Chairman Morgan Griffith (R-VA) [followed up](#) on their July 18 letter to FDA Commissioner Dr. Robert Califf requesting information and documents regarding the agency’s drug inspections in India and China.
 - The follow-up letter claims that the FDA’s foreign drug inspections in 2022 were down 79% from 2019, although the number of citations issued to manufacturers significantly increased.

Senate Finance Committee — Health Updates

- **On December 7, the Senate Finance Committee released the legislative text of the Better Mental Health Care, Lower-Cost Drugs, and Extenders Act ([S. 3430](#)).**
 - The committee marked up and favorably reported the bill on November 8. The final reported legislative text, which includes the accepted [amendments](#), can be found [here](#). A section-by-section summary prepared by Senate Finance staff can be found [here](#).
 - The legislation expands mental health care and substance use disorder (SUD) services, increases Medicare payments for providers, and builds on the committee-passed Modernizing and Ensuring PBM Accountability Act (MEPA) ([S. 2973](#)) by including additional prescription drug pricing and PBM provisions.
- **Next Steps:** The bill received a bipartisan 26-0 vote in committee, and its text, along with other committee-passed bills, could be included in a potential health care legislative package, which Majority Leader Chuck Schumer (D-NY) has indicated the Senate may consider this year. However, Congress must first address outstanding FY24 appropriations bills.



Senate Finance Chair Ron Wyden (D-OR)

Senate HELP Committee – Health Updates



Senate HELP Chairman Bernie Sanders (I-VT)

- **On December 12, the Senate HELP Committee marked up and passed three health care bills: (1) the SCREENS for Cancer Act of 2023 ([S. 1840](#)), (2) the SUPPORT for Patients and Communities Reauthorization Act ([S. 3393](#)), and (3) the Modernizing Opioid Treatment Access Act ([S. 644](#)).**
 - That same day, the House passed their version of the SUPPORT for Patients and Communities Reauthorization Act ([H.R. 4531](#)), by a [386-37](#) vote.
- **On December 14, the committee held a hearing titled “What is Fueling the Diabetes Epidemic?”**
 - Chair Sanders proposed several solutions to combat the rising rates of Type 2 diabetes and obesity in the U.S., including banning junk food advertisements targeted at children and ensuring diabetes and obesity treatments are affordable.
 - Chair Sanders said he plans to introduce legislation to prevent U.S. drug manufacturers from charging more for prescription drugs in the U.S. than in comparable nations, such as Canada, the UK, Germany, France, and Japan.
- **Next Steps:** The committee will hold a drug pricing hearing on January 25 titled, “Why Does the United States Pay, By Far, The Highest Prices In The World For Prescription Drugs?” Executives from Johnson & Johnson, Merck, and Bristol Myers Squibb have been asked to testify.

AI in Health Care – Health Updates

- **On December 12, the Government Accountability Office (GAO) released a [report](#) indicating the federal government is struggling to adopt and implement AI technology.**
 - The report provided recommendations to 19 federal agencies to improve their use and management of AI.
- **On December 13, the House E&C Committee held a [hearing](#) on the development of a federal regulatory framework for AI.**
 - The committee demonstrated significant interest in AI’s health care applications and risks, including assisting providers, bolstering the workforce, and strengthening drug development. A witness from HHS indicated the agency will be releasing several reports on its AI regulatory plans in 2024.
- **On December 15, the Biden administration convened the heads of various federal agencies and organizations for the inaugural meeting of the White House AI Council.**
 - The council was established by the Biden administration’s [Executive Order on AI](#).
- **Next Steps:** Over the coming year, HHS has plans to release various regulatory frameworks for AI in health care from medical software to reimbursement, as Congress delves further into the subject.



House E&C Chair Cathy McMorris Rodgers (R-WA) and Ranking Member Frank Pallone (D-NJ)

White House Hones in on Prescription Drugs – Health Updates

- **On December 7, the White House released a [fact sheet](#) regarding “New Actions to Lower Health Care and Prescription Drug Costs by Promoting Competition.”**
 - These actions include (1) promoting equitable access to lower-priced taxpayer-funded drugs, (2) scrutinizing anticompetitive acquisitions and business practices, (3) launching a cross-government public inquiry into “corporate greed” in health care, (4) stopping “Big Pharma” tactics that raise prices for working families, (5) addressing anticompetitive misuse of the patent system, and (6) improving transparency of hospital charges.
- **On December 7, the National Institute of Standards and Technology (NIST) published a [notice](#) titled “Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights.”**
 - The notice recommends factors such as price and patient access for agencies to consider before invoking march-in rights.
 - Senate HELP Committee Chair Sanders (I-VT) [praised](#) the action as a positive step forward, while Ranking Member Bill Cassidy (R-LA) sharply [criticized](#) President Biden’s plan as a “short-sided decision ... that they will lose in court.”
- **On December 27, President Biden issued a [memorandum](#) granting HHS increased authority to bolster the manufacturing of essential medicines under the Defense Production Act (DPA).**
 - The memorandum also waives the requirement that the president notify Congress of item shortfalls before taking action to rectify the shortage.

Health Agencies — Health Updates



HHS Secretary Xavier Becerra

- **On December 6, the Office of Information and Regulatory Affairs (OIRA) released the Fall 2023 Unified Agenda of Regulatory and Deregulatory Actions.**
 - HHS said the agenda seeks to lower and expand coverage, reduce disparities, increase public health preparedness, and support the well-being of families and communities.
 - The agenda includes a host of policies related to the 340B Drug Pricing Program, Laboratory Developed Tests (LDTs), biological products, Disproportionate Share Hospitals (DSHs), and Medicare Advantage, among others.
- **On December 14, CMS sent a letter to PBMs, Medicare Part D plans, Medicaid Managed Care plans, and private insurance health plans to discuss business practices that “threaten the sustainability of many pharmacies, impede access to care, and put increased burden on health care providers.”**
 - In the letter, CMS stated its support for collaboration between plans, PBMs, providers, and pharmacies to improve these issues immediately.
- **On December 14, HHS announced 48 Medicare Part B drugs that may be subject to inflation rebates in the first quarter of 2024 due to manufacturer price increases.**
 - The Inflation Reduction Act (IRA; Pub. Law 117-169) requires drug companies to pay rebates under Medicare beginning in 2023 if their prescription drug prices rise faster than inflation.

California Faces a US\$37.9 Billion Budget Deficit

- On January 10, Governor Newsom released his proposed budget for 2024/2025, which seeks to close a US\$37.9 billion deficit (nearly half of what the nonpartisan Legislative Analyst's Office projected, US\$68 billion, in December).
- The Proposed Budget includes approximately US\$13.1 billion in withdrawals from reserves; more than US\$19.1 billion in reductions, shifts, and delays/deferrals; and US\$5.7 billion in borrowing and revenue (no income tax increases).
- After these maneuvers, US\$18.4 billion will remain in reserves.
- Up next: the legislature will now consider the proposed budget, the governor will release a revised budget in May, and a budget will be approved in June, as required by law.
- The governor, in his presentation, expressed a willingness to work with the legislature on actions to modify the current 2022-2023 budget.
- The Newsom administration has already ordered a spending freeze across government agencies.
- The new Speaker of the Assembly, Robert Rivas, has already stated that the assembly “must commit to serious fiscal restraint.”



New Legislative Leadership in California

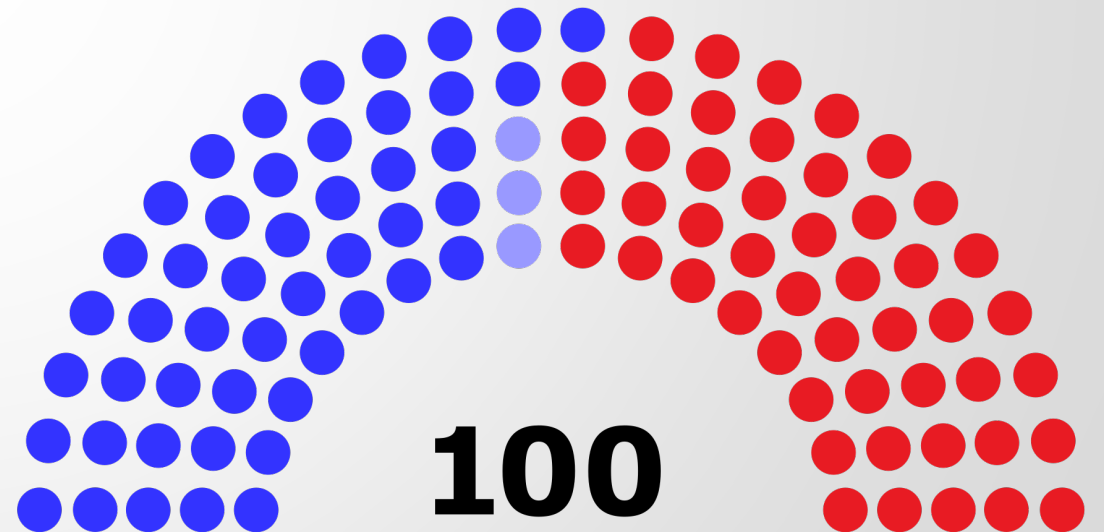
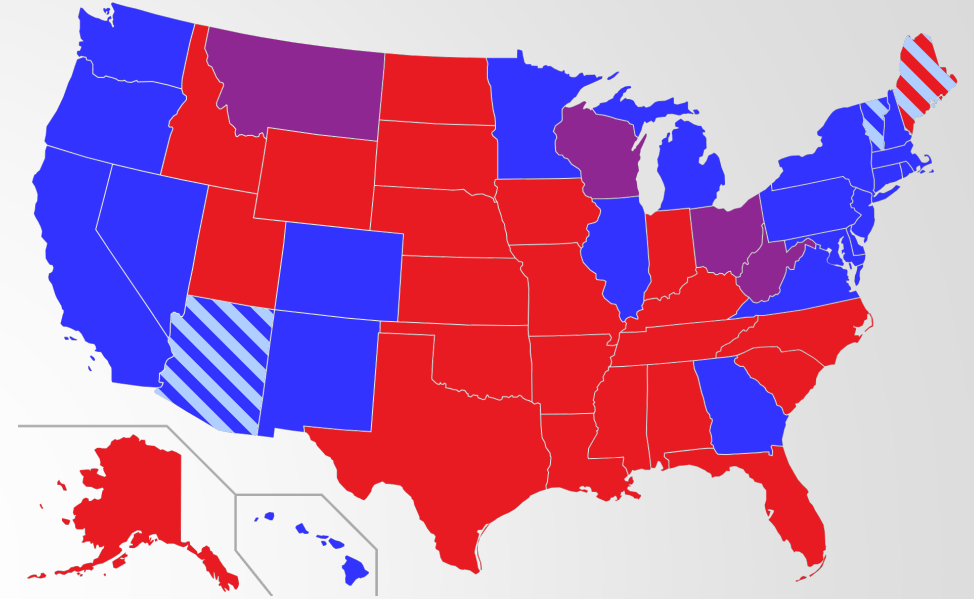
- In 2024, the State Assembly and State Senate will have new leaders: Speaker Robert Rivas was installed last summer and incoming Senate Pro Tem Mike McGuire will be sworn in on February 5.
- Speaker Rivas has already made many changes to committee chair assignments and has moved to a more caucus driven agenda. To that end, he also appears to be taking a far more hands-on approach to the work of the committees than his predecessor.
- Incoming Senate Pro Tem McGuire is a longtime member of current Senate Pro Tem Toni Atkins' leadership team, and as such, can be expected to lead in much of the same manner. McGuire is known as a skilled negotiator and high energy legislator. He won't be in the position long, as he terms out in 2026, after which he intends to run for Insurance Commissioner.



State of Play of the 2024 Elections

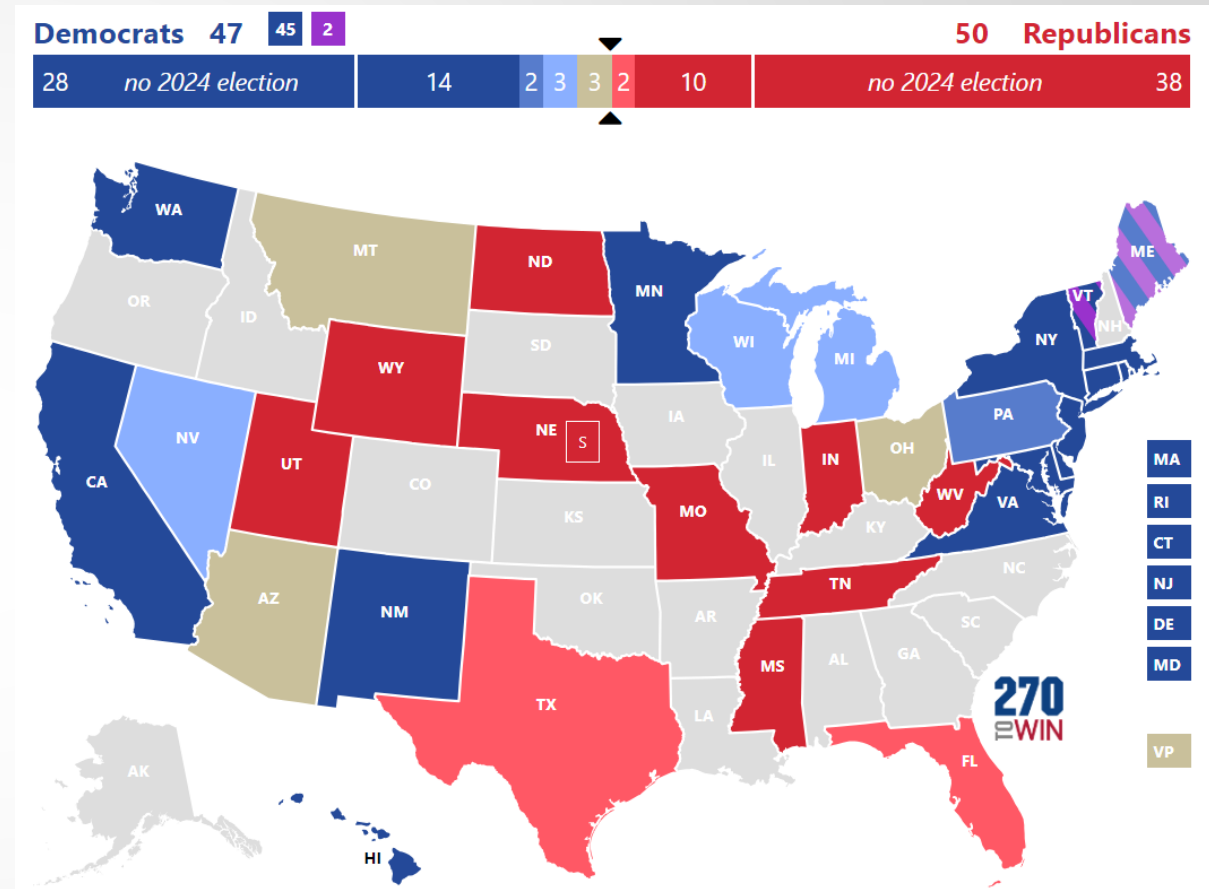
Current Senate — 118th Congress

- Democrats have a 51-49 majority; their majority includes three independent senators who caucus with the Democrats.
- Vice President Kamala Harris, who also serves as the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
 - To date, since assuming the office of Vice President, VP Harris has cast 33 tie-breaking votes in the Senate.
 - This is the highest amount of tie-breaking votes a vice president has cast.
 - VP Harris broke the previous record of 31 votes on December 5, when she [cast](#) her 32nd and 33rd tiebreaking votes.
 - Senate Majority Leader Chuck Schumer (D-NY) [presented](#) the vice president with a golden gavel to commemorate the moment.
- Senator Patty Murray (D-WA) is the President Pro Tempore of the Senate. She is the first female President Pro Tem in history.



Senate 2024 Outlook

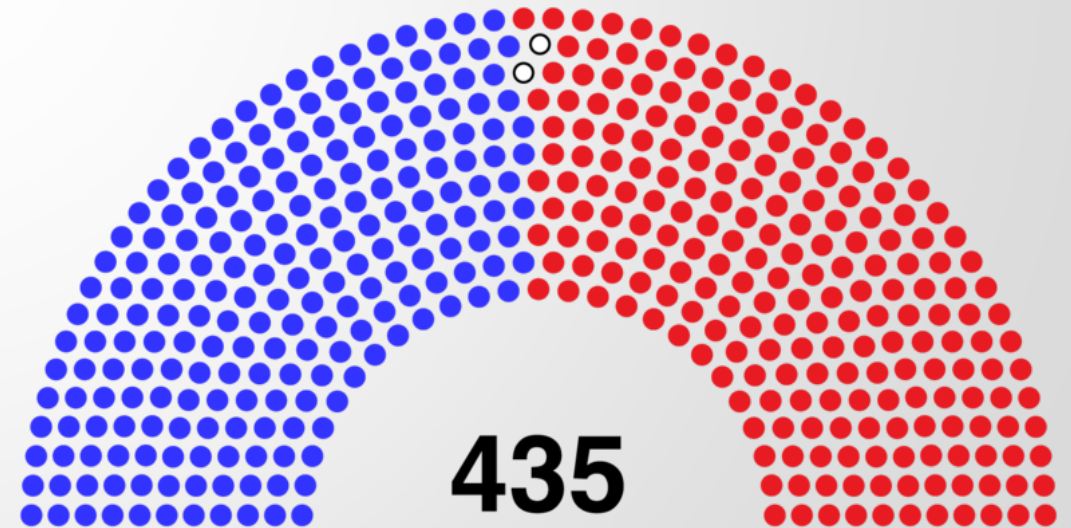
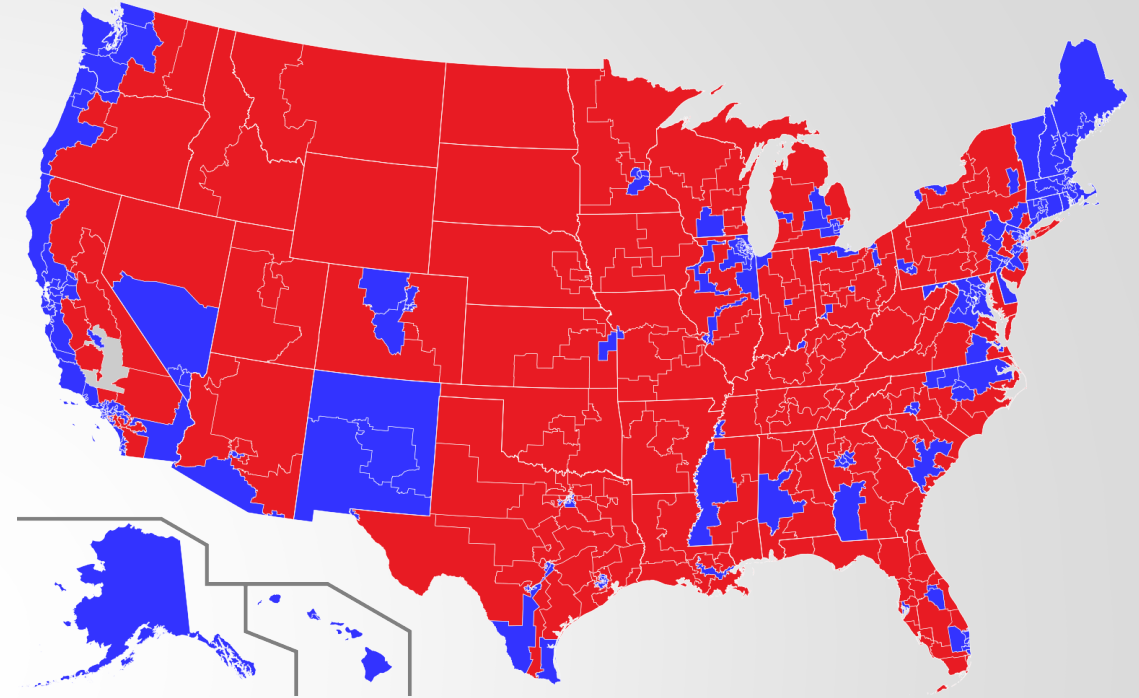
- Democrats have a narrow majority and a difficult Senate map for 2024.
- Three Democratic incumbents are from states which former President Trump won in both 2016 and 2020 (Montana, Ohio, and West Virginia).
- On November 9, Sen. Joe Manchin (D-WV) [announced](#) he will not seek re-election in 2024.
 - As a result of this announcement, Republicans are now extremely likely to win this West Virginia U.S. Senate seat in 2024.
 - By picking up this seat, Republicans will likely have at least 50 Senate seats in hand for the 2024 election, barring a major upset in Texas or Florida.
- Democrats will also be defending seats in other competitive states such as Arizona, Nevada, Michigan, Pennsylvania, and Wisconsin.
- Republicans hold 38 seats that are not up for election in 2024; of the 11 GOP seats up for election, nine seats are “Safe R,” and two seats are “Likely R.”
 - If Republicans win the presidency in 2024, then 50 seats will be enough for a majority.
 - If Democrats retain the presidency in 2024, then Republicans will need 51 seats for a majority.
- While the contest for control of the Senate will be very competitive, due to an advantageous map, Republicans are somewhat favored to win back the chamber in 2024.



Sources: UVA Center for Politics, Sabato’s Crystal Ball; 270 To Win

Current House — 118th Congress

- Republicans currently hold a three-seat majority (220-213) in the House.
- The House currently has two vacancies.
 - Rep. George Santos (R-NY) was expelled from the House on December 1.
 - A special election to replace Mr. Santos will take place on February 13, 2024.
 - Former Speaker Kevin McCarthy (R-CA) resigned from his congressional seat effective December 31, 2023.
 - Rep. Bill Johnson (R-OH) will resign effective January 21, 2024 to become the new president of Youngstown State University.
 - Once Rep. Johnson resigns, House Republicans' majority will shrink further to 219-213. This will reduce their majority from three seats down to two seats.
 - However, Rep. Brian Higgins (D-NY) will resign on February 2, 2024. When he does, Republicans' majority will increase back up to three seats, at 219-212.



Increase in House Retirements

- Over the past couple of months, about 20 lawmakers have announced their retirements. The number of retirements in November was the most retirements or resignations in any month since 2011.
- While some members are resigning to run for another office, others have expressed frustration and fatigue with the increased gridlock and polarizing partisanship that the House has seen this fall.
- Notable retirements include: former Speaker Kevin McCarthy (R-CA), Rep. Earl Blumenauer (D-OR), Rep. Dan Kildee (D-MI), House E&C Health Ranking Member Anna Eshoo (D-CA), House Appropriations Chairwoman Kay Granger (R-TX), Rep. Ken Buck (R-CO), Rep. Michael Burgess (R-TX), Rep. Brad Wenstrup (R-OH), Rep. Blaine Luetkemeyer (R-MO), Rep. Larry Bucshon (R-IN), Rep. Greg Pence (R-IN) (former Vice President Mike Pence's brother), and House Financial Services Chairman and former Speaker Pro Tempore Patrick McHenry (R-NC).
- Overall, 45 members of the House have either already resigned or have announced their upcoming retirement thus far during the 118th Congress.



Former Speaker Kevin McCarthy (R-CA), who resigned from the House effective December 31, 2023

House Democratic Retirements and Resignations – 118th Congress

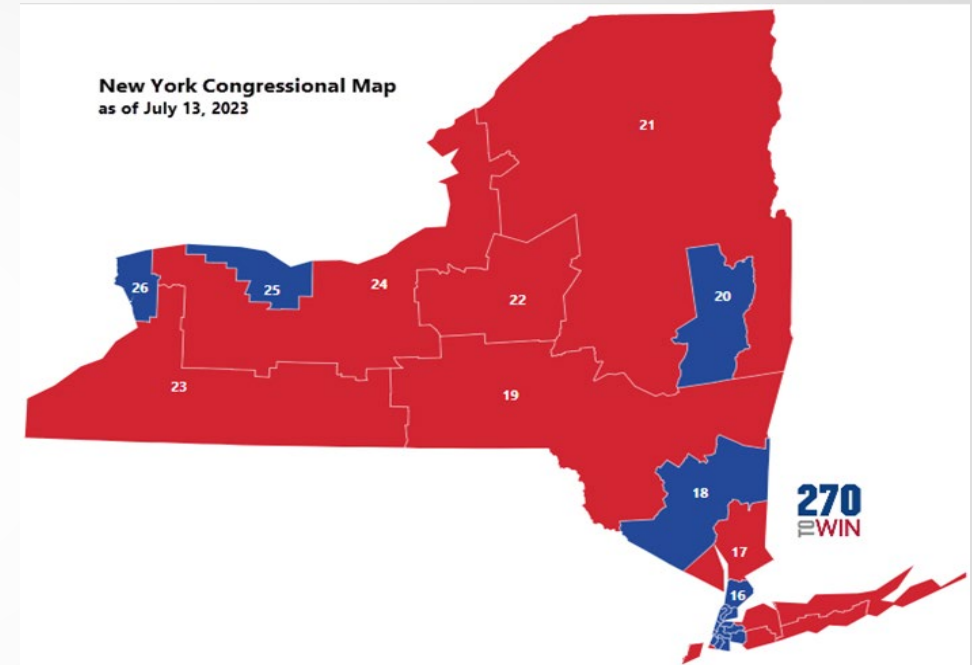
- Rep. Katie Porter (D-CA) [Running for Senate]
- Rep. Barbara Lee (D-CA) [Running for Senate]
- Rep. Ruben Gallego (D-AZ) [Running for Senate]
- Rep. Adam Schiff (D-CA) [Running for Senate]
- Rep. Elissa Slotkin (D-MI) [Running for Senate]
- Rep. Colin Allred (D-TX) [Running for Senate]
- Rep. David Trone (D-MD) [Running for Senate]
- Rep. Lisa Blunt Rochester (D-DE) [Running for Senate]
- Rep. Andy Kim (D-NJ) [Running for Senate]
- Rep. Jeff Jackson (D-NC) [Redistricting; running for North Carolina Attorney General]
- Rep. Kathy Manning (D-NC) [Redistricting]
- Rep. Wiley Nickel (D-NC) [Redistricting]
- Rep. Grace Napolitano (D-CA)
- Rep. Jennifer Wexton (D-VA)
- Rep. John Sarbanes (D-MD)
- Rep. Earl Blumenauer (D-OR)
- Rep. Derek Kilmer (D-WA)
- Rep. Abigail Spanberger (D-VA) [Running for Virginia Governor]
- Rep. Dan Kildee (D-MI)
- Rep. Dean Phillips (D-MN) [Running for President]
- Rep. Tony Cárdenas (D-CA)
- Rep. Anna Eshoo (D-CA)
- Rep. Brian Higgins (D-NY)
 - Rep. Higgins will leave Congress before the end of his term. His resignation will officially be effective on February 2, 2024.
- Rep. David Cicilline (D-RI)
 - Already departed Congress, and seat has been filled.

House Republican Retirements and Resignations – 118th Congress

- Rep. Alex Mooney (R-WV) [Running for Senate]
- Rep. Jim Banks (R-IN) [Running for Senate]
- Rep. Victoria Spartz (R-IN)
- Rep. Dan Bishop (R-NC) [Running for North Carolina Attorney General]
- Rep. Debbie Lesko (R-AZ)
- Rep. Kay Granger (R-TX)
- Rep. Ken Buck (R-CO)
- Rep. Michael Burgess (R-TX)
- Rep. Brad Wenstrup (R-OH)
- Rep. Patrick McHenry (R-NC)
- Rep. Bill Johnson (R-OH)
 - Leaving Congress on January 21 to become president of Youngstown State University.
- Rep. Kevin McCarthy (R-CA)
 - Departed Congress on December 31, 2023.
- Rep. Chris Stewart (R-UT)
 - Already departed Congress, and seat has been filled.
- Rep. Drew Ferguson (R-GA)
- Rep. John Curtis (R-UT) [Running for Senate]
- Rep. Blaine Luetkemeyer (R-MO)
- Rep. Doug Lamborn (R-CO)
- Rep. Larry Bucshon (R-IN)
- Rep. Greg Pence (R-IN)

New York's Congressional Map Could Be Redrawn Ahead of 2024

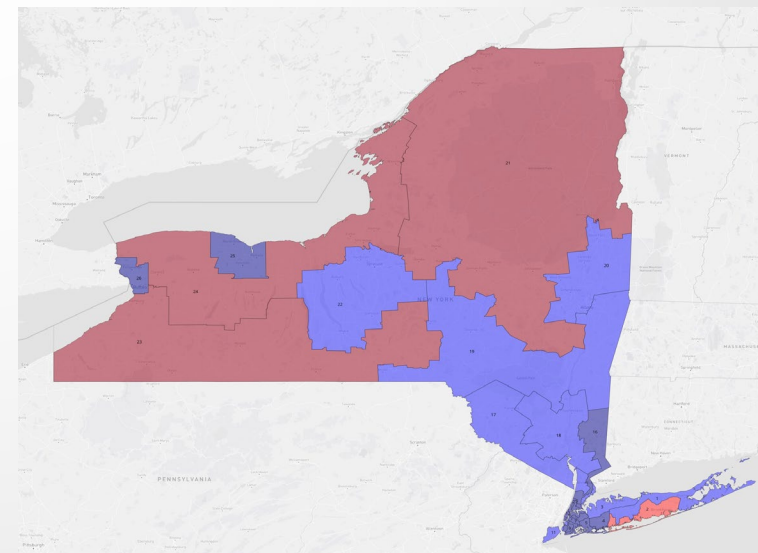
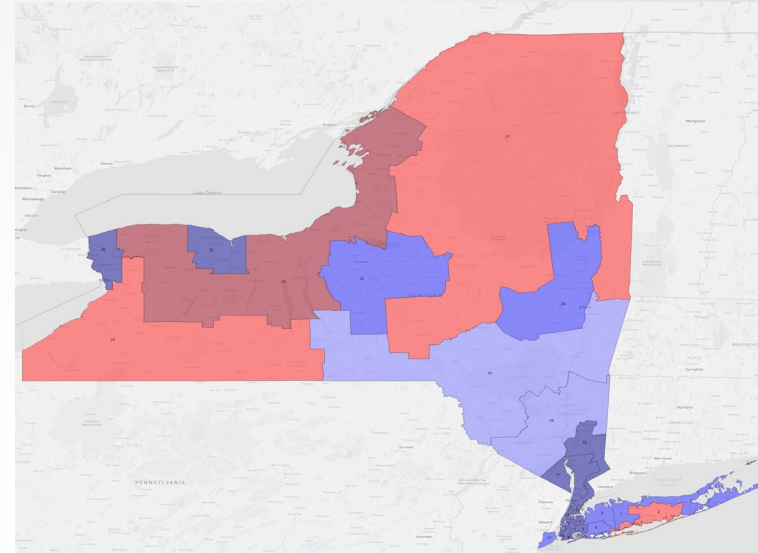
- On December 12, in a 4-3 [ruling](#), New York's top court (the New York Court of Appeals) ordered the New York congressional map to be redrawn. This opens the door for New York's Democratic governor and Democratic state legislature to draw a new pro-Democratic gerrymandered congressional map for the 2024 election cycle.
- ***Why is this significant?*** The current map that is in use for New York's congressional delegation right now has yielded a congressional delegation that is 15D - 11R.
 - Of note, while Democrats currently hold 15 of New York's 26 congressional seats, Joe Biden won 19 out of the 26 congressional districts - so if congressional Democrats won in all Biden-won districts, even the ones that the president narrowly won, the delegation would be 19D - 7R.
- However, New York Democrats now have the opportunity to draw a new congressional map that could yield Democrats as many as seven new congressional seats, as Dems could now draw a map that could yield a congressional delegation of 22D - 4R.



Current New York Congressional Map

New York's Congressional Map Could Be Redrawn Ahead of 2024

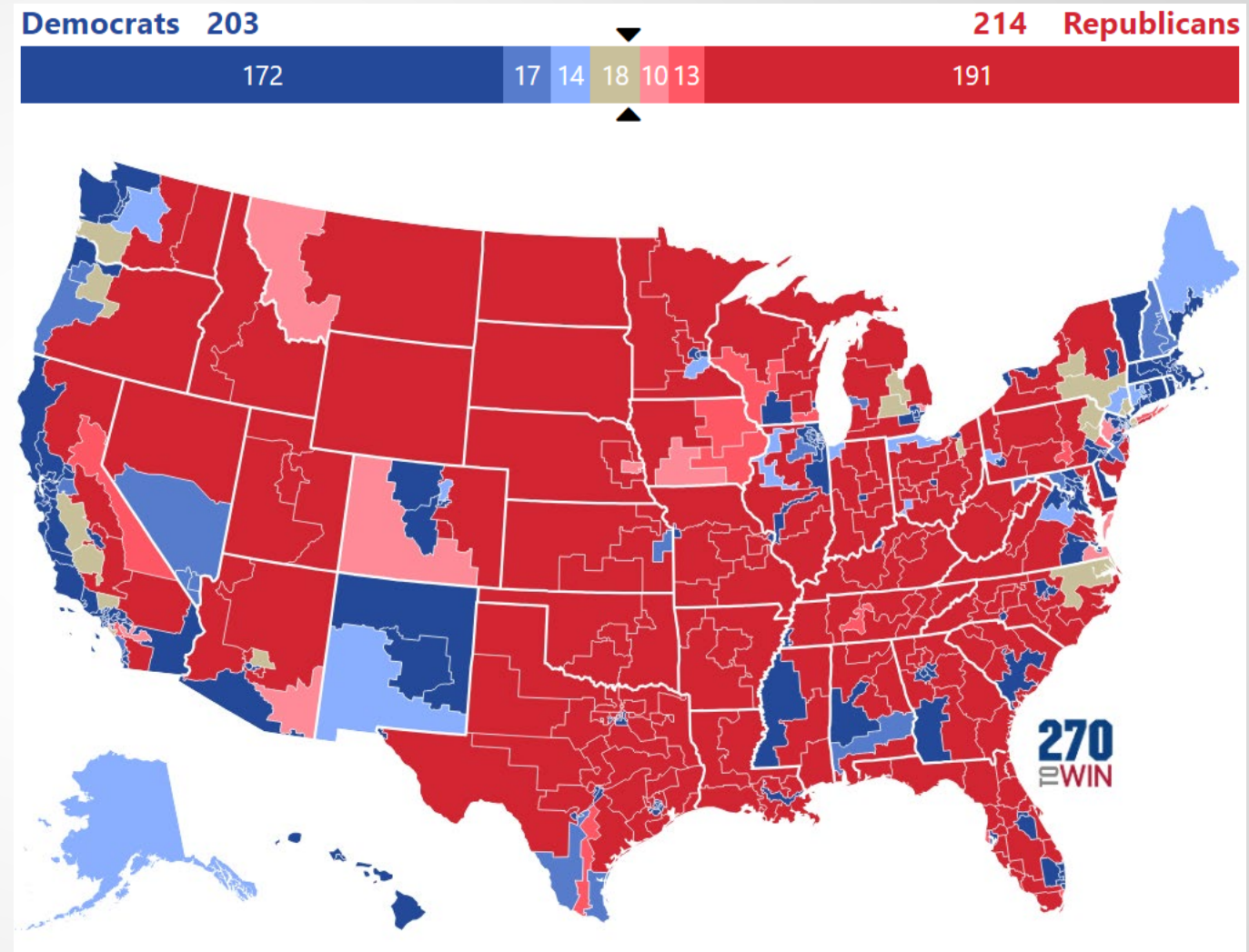
- If New York Democrats go as far as a 22D – 4R map, then the following Republican incumbents *could* face difficult re-election circumstances, as their districts would move to the left and become varying degrees of more blue:
 - **Rep. Nick LaLota (R-NY-1) OR Rep. Andrew Garbarino (R-NY-2)**
 - Under a 22-4 map, LaLota's NY-1 district would likely become a blue district, but both LaLota and Garbarino would probably run against each other in a primary for NY-2.
 - **Rep. Anthony D'Esposito (R-NY-4)**
 - **Rep. Nicole Malliotakis (R-NY-11)**
 - **Rep. Mike Lawler (R-NY-17)**
 - **Rep. Marc Molinaro (R-NY-19)**
 - **Rep. Brandon Williams (R-NY-22)**
 - ****Rep. George Santos's** old seat, NY-3, would become more blue, too. There is a special election for this seat under the *current* map's district lines in February 2024.
- However, there is a chance that New York Democrats could draw a less lopsided map of, say, 21-5, 20-6, or 19-7. It's possible that New York Democrats could instead opt to just shore up all 2020 Biden-won congressional districts for a stronger, more durable 19D - 7R map than the current 19-7 map which is 15-11.



Possible pro-Democratic gerrymandered maps, which could be used for 2024

House 2024 Outlook

- Republicans currently have a small majority of 220-213, which will soon be 219-213. 218 is needed for a majority.
- Although it is early, for the 2024 elections, 191 seats are currently projected as “Safe R,” while 214 seats are rated as Safe, Likely, or Leans R.
- On the other hand, for 2024, 172 seats are rated as “Safe D,” while 203 seats are rated as Safe, Likely, or Leans D.
- While North Carolina Republicans gerrymandered their congressional map, New York Democrats might soon gerrymander their respective map.



House 2024 Outlook (Toss-Up, Leans, and Likely Seats)

Democrats		
TOSS-UP (8)	LEANS DEMOCRATIC (14)	LIKELY DEMOCRATIC (17)
CA-47 Open (Porter)	Mary Peltola (AK-AL)	AL-2 Open (Moore)
MI-7 Open (Slotkin)	Yadira Caraveo (CO-8)	Josh Harder (CA-9)
MI-8 Open (Kildee)	Jahana Hayes (CT-5)	Mike Levin (CA-49)
Don Davis (NC-1)	Frank Mrvan (IN-1)	Lauren Underwood (IL-14)
Emilia Sykes (OH-13)	Eric Sorensen (IL-17)	Sharice Davids (KS-3)
Matt Cartwright (PA-8)	Jared Golden (ME-2)	MD-6 Open (Trone)
Susan Wild (PA-7)	Angie Craig (MN-2)	Hillary Scholten (MI-3)
M. Gluesenkamp Perez (WA-3)	Gabe Vasquez (NM-2)	Annie Kuster (NH-2)
	Pat Ryan (NY-18)	Chris Pappas (NH-1)
	Marcy Kaptur (OH-9)	NJ-3 Open (Kim)
	Greg Landsman (OH-1)	Susie Lee (NV-3)
	Chris Deluzio (PA-17)	Steven Horsford (NV-4)
	VA-7 Open (Spanberger)	Dina Titus (NV-1)
	Kim Schrier (WA-8)	Val Hoyle (OR-4)
		Andrea Salinas (OR-6)
		Henry Cuellar (TX-28)
		Vicente Gonzalez (TX-34)

Total seats rated Safe Democratic: 172
Total seats rated Safe, Likely, or Leans D: 203

Republicans		
TOSS-UP (10)	LEANS REPUBLICAN (10)	LIKELY REPUBLICAN (13)
David Schweikert (AZ-1)	Juan Ciscomani (AZ-6)	Kevin Kiley (CA-3)
John Duarte (CA-13)	Ken Calvert (CA-41)	Young Kim (CA-40)
Mike Garcia (CA-27)	Michelle Steel (CA-45)	Anna Paulina Luna (FL-13)
David Valadao (CA-22)	Lauren Boebert (CO-3)	María Elvira Salazar (FL-27)
Anthony D'Esposito (NY-4)	Zach Nunn (IA-3)	Ashley Hinson (IA-2)
Mike Lawler (NY-17)	John James (MI-10)	M. Miller-Meeks (IA-1)
Marc Molinaro (NY-19)	Ryan Zinke (MT-1)	Nick LaLota (NY-1)
George Santos (NY-3)	Don Bacon (NE-2)	Brian Fitzpatrick (PA-1)
Brandon Williams (NY-22)	Tom Kean Jr. (NJ-7)	Scott Perry (PA-10)
L. Chavez-DeRemer (OR-5)	Jen Kiggans (VA-2)	Andy Ogles (TN-5)
		Monica De La Cruz (TX-15)
		Bryan Steil (WI-1)
		Derrick Van Orden (WI-3)

SAFE REPUBLICAN FLIPS (3)
NC-14 Open (Jackson)
Kathy Manning (NC-6)
Wiley Nickel (NC-13)

Total seats rated Safe Republican: 191
Total seats rated Safe, Likely, or Leans R: 214

2024 Democratic Presidential Primary

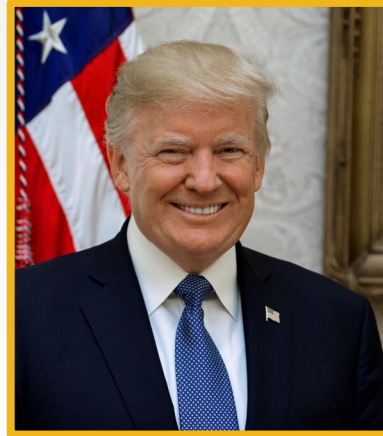
- With Robert F. Kennedy, Jr. now out of the Democratic presidential primary, the challengers that President Biden now face are Marianne Williamson and Rep. Dean Phillips (D-MN).
- President Biden currently has a large 69.8% to 7.9% lead over Williamson in the Real Clear Politics (RCP) average.
- Rep. Phillips currently has an average of 3.2% in the polls.



Incumbent President Joe Biden

2024 Republican Presidential Primary

- To the right are the major candidates who are still in the race for the Republican's presidential nomination.
- On January 10, former New Jersey Governor Chris Christie suspended his presidential campaign.
- The candidates who are highlighted qualified for CNN's Republican debate on January 10.
 - Participants needed at least 10% support in three national or Iowa polls that met CNN's criteria.
- **Former President Trump has elected to *not* participate in the debates thus far. He also skipped the January 10 debate, and instead participated in a live town hall on Fox News that aired at the same time as the CNN Republican debate.
- Governor DeSantis and Former Ambassador Haley participated in the January 10 debate.



Former President
Donald Trump**



Florida Governor
Ron DeSantis



Former UN Ambassador
Nikki Haley

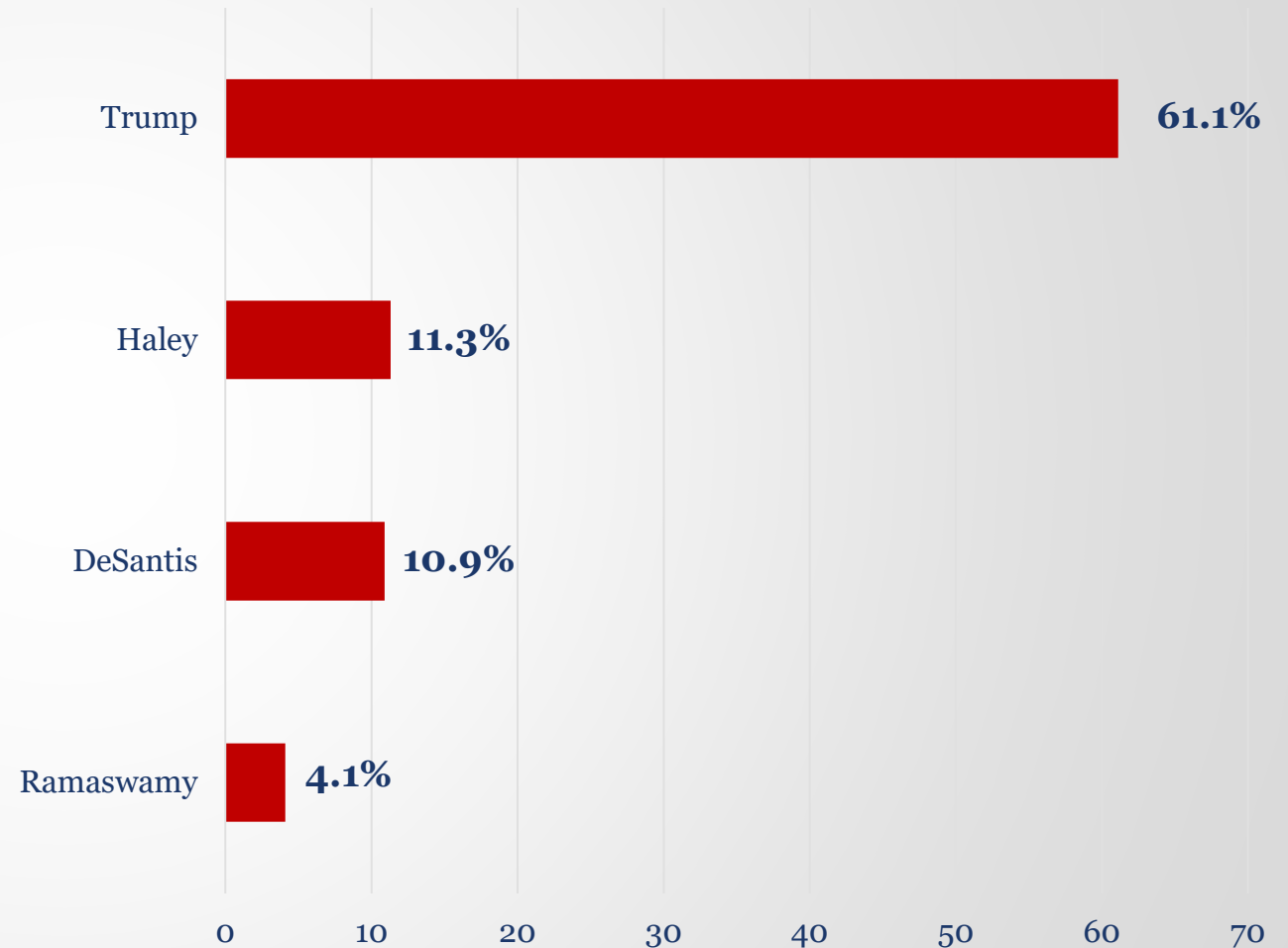


Vivek Ramaswamy

2024 Republican Presidential Primary Polling

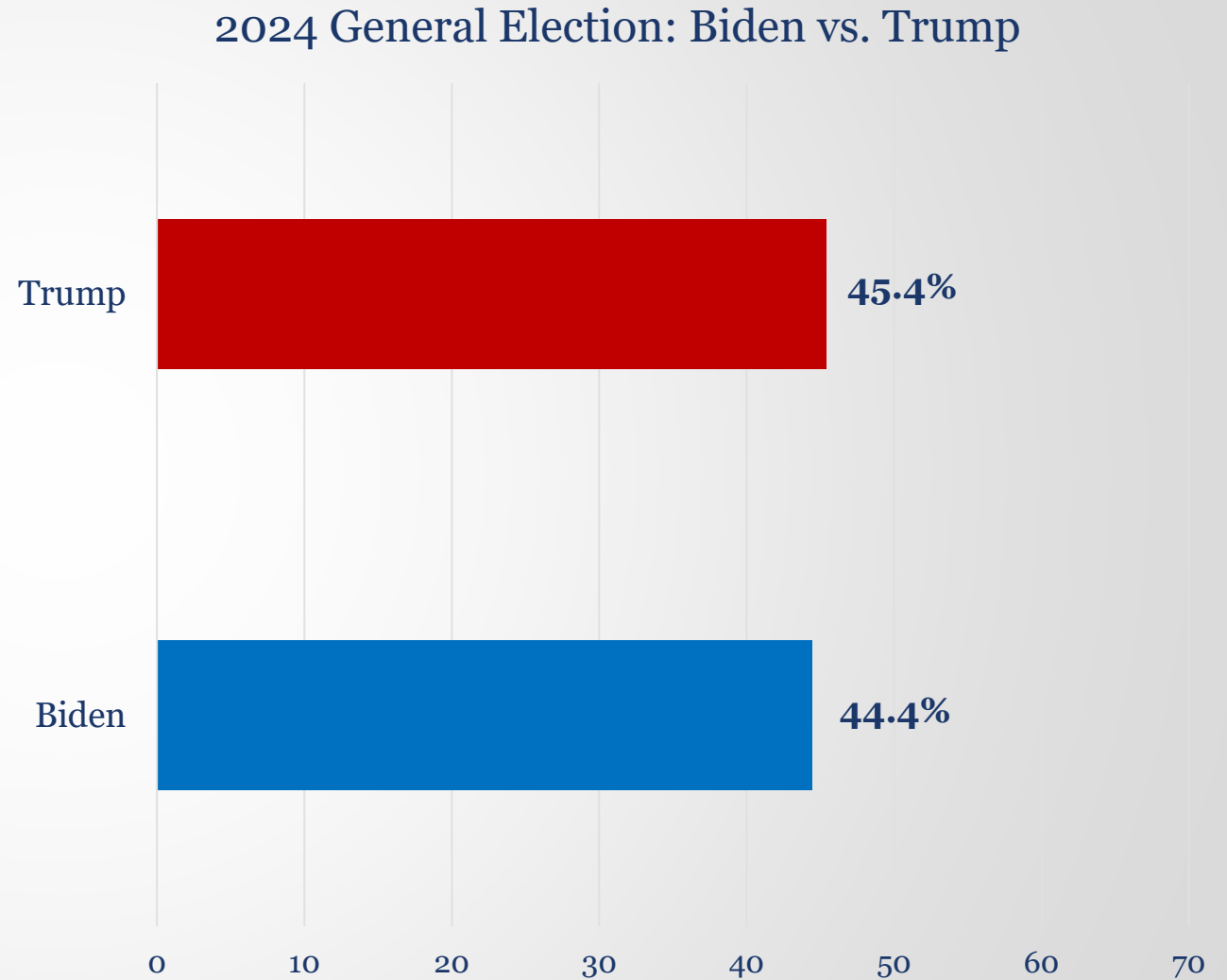
- At 61.1%, former President Donald Trump currently holds a large lead over the other top Republican presidential hopefuls.
- Former UN Ambassador and former South Carolina Governor Nikki Haley has closed the gap with Governor DeSantis, and has now moved slightly ahead of him.
- Mr. Ramaswamy is in the low single digits.

Republicans' Preferences for the 2024 Nominee



Early Look at the 2024 General Presidential Election

- Former President Donald Trump is currently receiving 45.4% in the Real Clear Politics (RCP) average.
- Incumbent President Joe Biden (D) is currently receiving 44.4% in the RCP average.
- A lot can happen between now and November 2024:
 - Former President Trump has multiple upcoming court dates and trials.
 - The House is considering impeaching President Biden
 - Gas prices and the economy could improve or worsen in the coming months.



Will the 2024 Election be a Return to Norms, or another Unprecedented Election?

- Elections from 2020 to 2023 have been unprecedented, as they have bucked political norms, patterns, and expectations. Will the 2024 election be a return to pre-2020 norms, or will more unprecedented outcomes continue?
 - Today’s political polls suggest Democrats will regain control of the House by a very narrow margin and Republicans will flip control of the Senate by a very narrow margin. **There has never been an election where a split-control Congress had both chambers flip to the opposite party leading to a new, but different, split-control Congress.**
 - Republicans are currently in control of the House for a two-year cycle. If the House flips to Democrats in the 2024 election, it will be the first time since 1954 that one party controlled the House for only two years.
 - If the House flips, it will be only the second time since the Civil War that the House has changed control three times in 8 years. The other was 1948-56 (four times in 10 years).
 - If the House flips, it will be the fifth turnover in power since 2006.
 - If the Senate flips, it will be the sixth change in control since 2000. Control of the Senate flipped only 10 times from 1900-2000.



Factors That Could Impact the Political Landscape

December 2023 Jobs Report

- On January 5, the U.S. Department of Labor's Bureau of Labor Statistics [announced](#) (1) total nonfarm payroll employment increased by 216,000 in December 2023 and that (2) the unemployment rate was unchanged at 3.7%.
 - Economists had expected an increase of 170,000 jobs in December, so the December jobs report was better than expectations.
 - The October 2023 number was revised down by -45,000, from +150,000 to +105,000, and the November 2023 number was revised down by -26,000, from +199,000 to +173,000.
 - The 3.7% unemployment rate is slightly below economists' forecasts (3.8%). Unemployment has now been below 4% for 23 consecutive months.
- Average hourly earnings were up 0.4% for December, slightly higher than the 0.3% forecast, while wages are up 4.1% from a year ago, slightly higher than the 3.9% forecast.
- Government was the leading industry, with a net gain of 52,000 jobs. Other leading industries included health care, with 38,000, leisure and hospitality, with 40,000, social assistance, with 21,000, construction, with 17,000, and retail, with 17,000. Transportation and warehousing lost 23,000 jobs, however.
- The employment report for January 2024 will be [released](#) on February 2, 2024.



Inflation Report

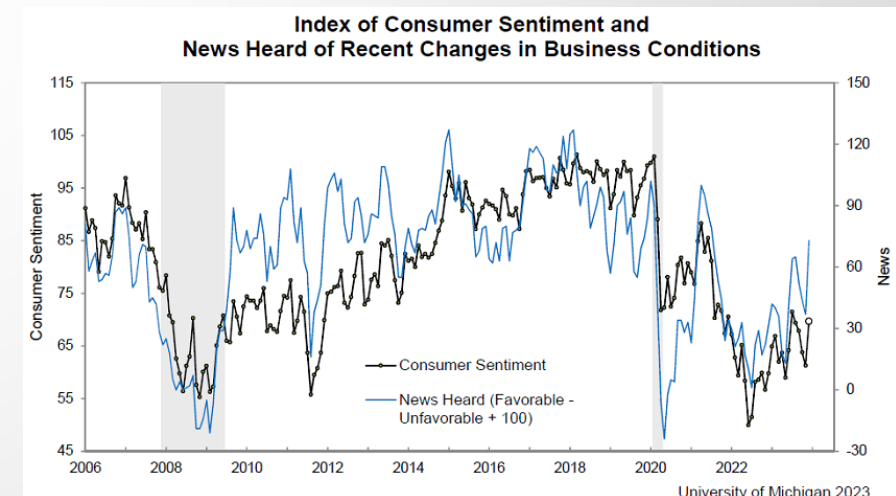
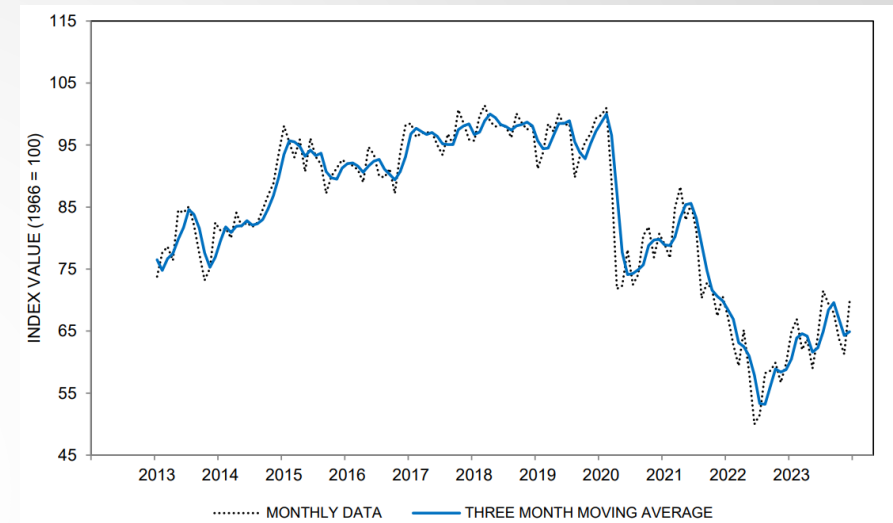
- On January 11, the U.S. Bureau of Labor Statistics [announced](#) the Consumer Price Index (CPI) increased by 0.3% in December 2023 on a seasonally adjusted basis.
 - Economists had expected a 0.2% gain in December.
- The Bureau of Labor Statistics also reported that the CPI increased 3.4% from December 2022.
 - Economists had expected a 3.2% annual gain for December.
 - Inflation was 3.4% for the full year of 2023, which is down from 6.5% in 2022.
- “Core CPI,” which excludes food and energy prices, rose by 0.3% in December 2023 and 3.9% on an annual basis from November 2022; both of these figures were in line with expectations.
 - The year-over-year core reading is the lowest since May 2021.
 - Housing and rent accounted for more than half the core CPI increase. On an annual basis, shelter costs increased by 6.2%, which was two-thirds of the increase in inflation.
- The Federal Reserve aims for a 2% annual inflation rate over the long term.
- The CPI report for January 2024 will be [released](#) on February 13.



Consumer Sentiment Report

- Consumer sentiment for December 2023 stands at 69.7, which is a +13.7% increase from November 2023 (61.3).
 - This is an annual increase of +16.6% from December 2022 (59.8).
- The Index of Consumer Sentiment varies by political party
 - 90.6 among Democrats
 - 64.5 among Independents
 - 57.0 among Republicans
- Year-ahead inflation expectations fell from 4.5% in November 2023 to 3.1% in December 2023.

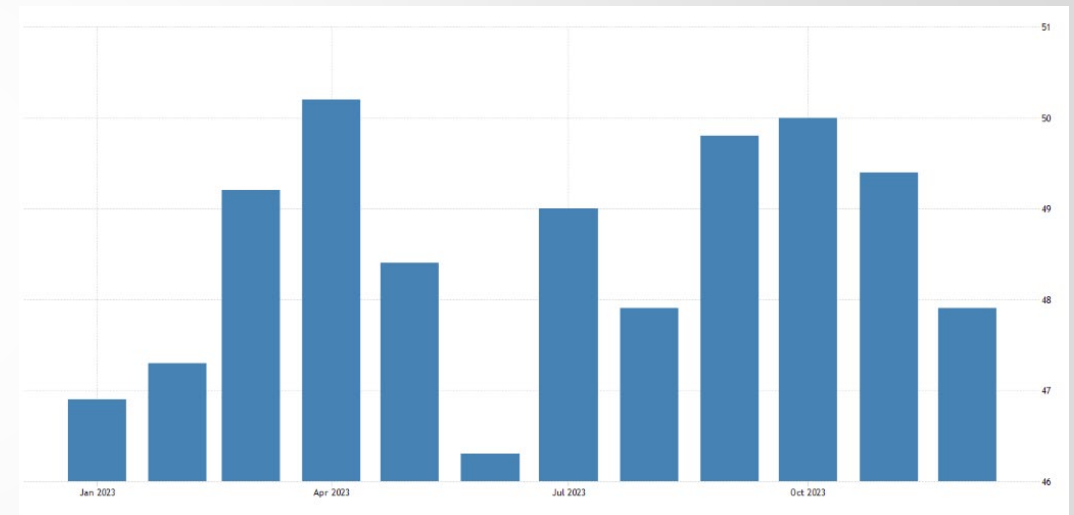
The Index of Consumer Sentiment



Manufacturing PMI Dips

- The S&P Global U.S. Manufacturing Purchasing Managers Index (PMI) decreased to 47.9 in December 2023 from 49.4 in November 2023.
- This is the lowest PMI reading since August 2023, which could point to a weakening of manufacturing conditions.
- The PMI reading points to a weakness in both domestic and international demand conditions. Lower demand led to a third consecutive monthly drop in employment in the industry.
- Inflationary pressures have intensified for the industries, as cost burdens for manufacturing firms have risen at a higher pace.
- PMI all-time high — 63.4 in July 2021.
- PMI all-time low — 36.1 in April 2020.

United States Manufacturing PMI



Sources: Trading Economics and Markit Economics

Thank you



Arnold & Porter

www.arnoldporter.com