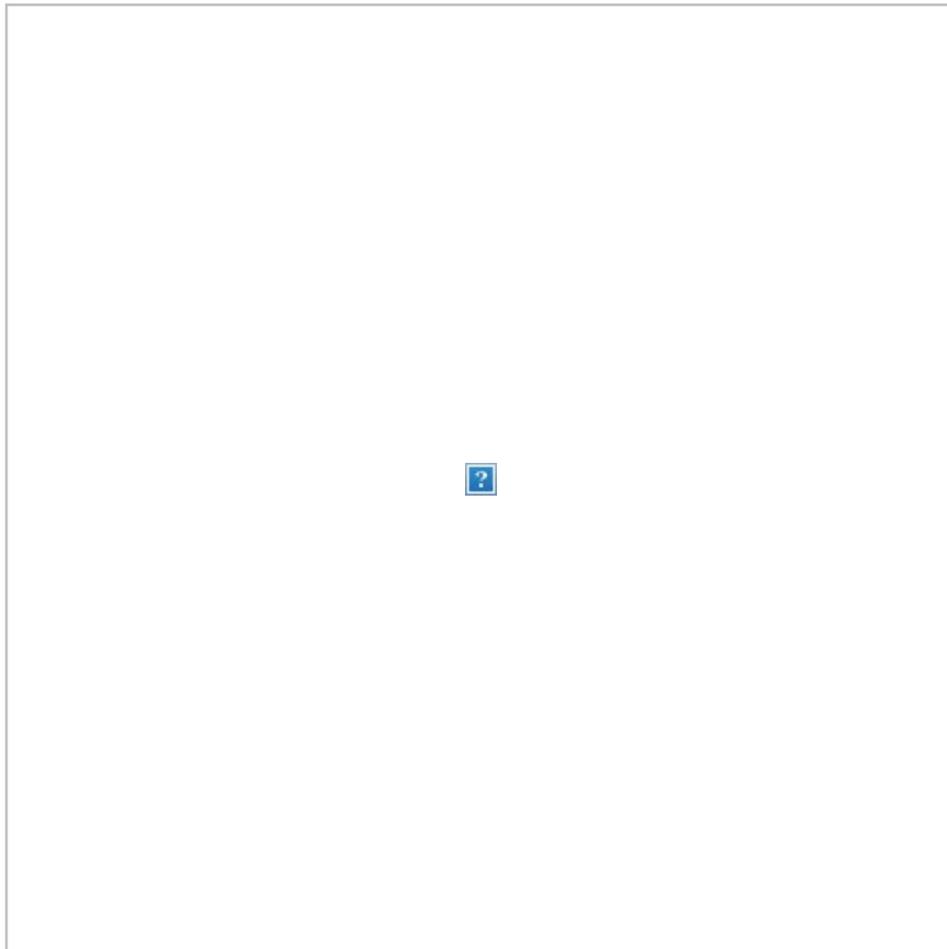
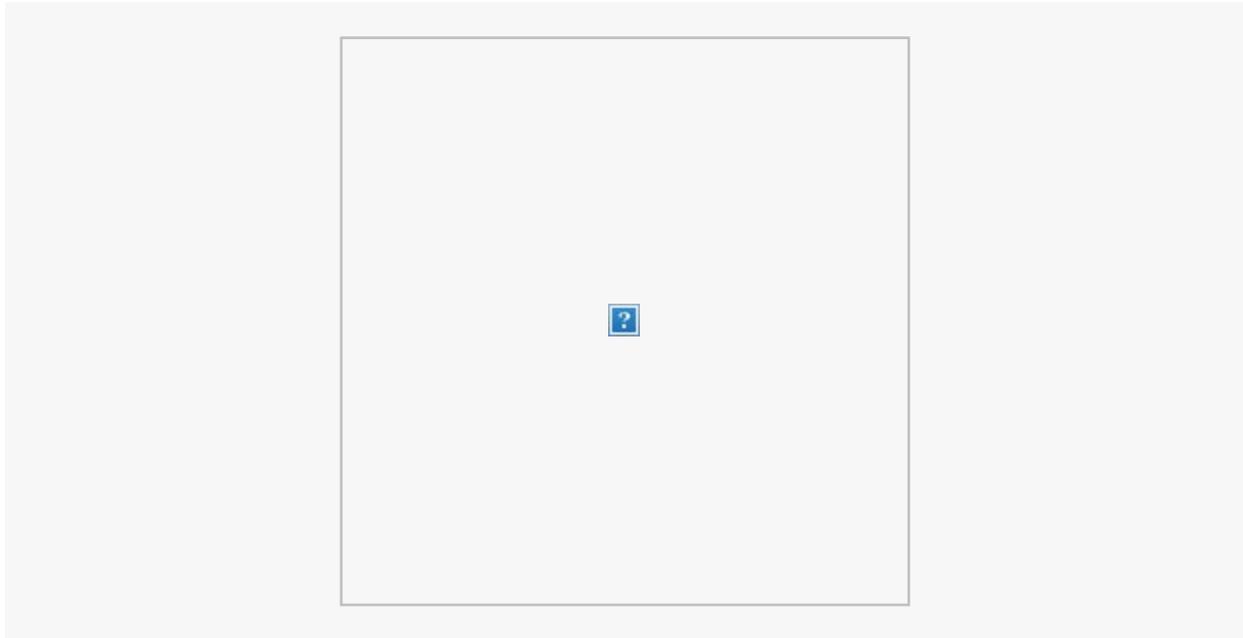


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June 7, 2024

Headlines - Aerospace & Defense - Budget & Economy - Advanced Tech - Military Installations & Communities - Homeland Security - Transportation & Infrastructure - Biotech & Healthcare - Climate & Development

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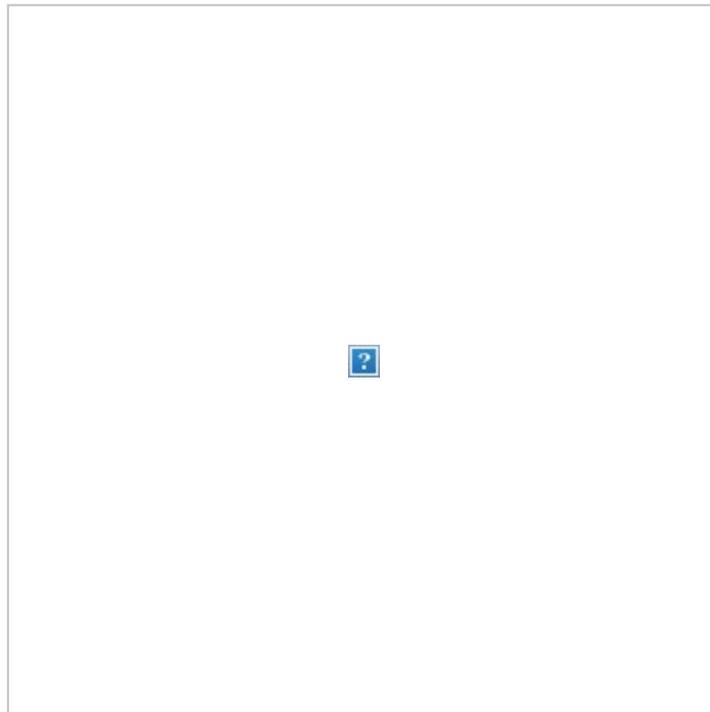
Notable Headlines

- [SpaceX's Starship rocket completes test flight for the first time, successfully splashes down](#)
- [Utah National Guard's State Partnership Program brings healthcare to underserved Moroccan people](#)
- [High levels of PFAS reported at reservoir near Air Force base in Japan](#)
- [How to watch the European election like a Pro](#)
- [House Democrats feared a New York City toll plan. Hochul reversed it](#)

Worth reading:

[D-Day Anniversary Shines a Spotlight on 'Rosie the Riveter' Women Who Built the Weapons of WWII](#)

View From The Hill



Congress returned to Washington this week, albeit with an abbreviated schedule ending Wednesday, as a large, bipartisan delegation traveled to France in commemoration of the th

80 anniversary of D-Day. In what may be a concern for Speaker Mike Johnson (R-LA) and his extremely slim majority, several Members [plan](#) to parachute from a Douglas C-47 Skytrain while in France as part of the D-Day anniversary events.

Despite the shortened work week, the House still managed to [pass](#) the first fiscal year (FY) 2025 appropriations bill, with the Military Construction, Veterans Affairs, and Related Agencies bill passing along a mostly party-line vote. The House Appropriations Committee also saw subcommittee passage of funding bills for Defense, Homeland Security, State and Foreign Operations, and Financial Services. These bills stick to the agreed-upon funding top line numbers enacted by last year's Fiscal Responsibility Act (FRA). In a small event attended by your TRG team, Appropriations Chairman Tom Cole expressed that the House's bills will reflect the FRA as an opening bid in the government funding negotiating process for FY25. The real star of the week, though, was the six-year-old son of Rep. John Rose (R-TN), whose House Floor on-camera [antics](#) quickly made him a bipartisan celebrity across Capitol Hill.

Speaker Johnson appointed two conservative Members, Representatives Scott Perry (R-PA) and Ronny Jackson (R-TX) to fill vacancies on the House Permanent Select Committee on Intelligence (HPSCI), while Rep. Clay Higgins (R-LA) was appointed to fill a vacancy on the House Armed Services Committee. Reports indicate HPSCI Chairman Mike Turner (R-OH) learned of the appointment of two House Freedom Caucus members from press reporting, and many Members of the committee were surprised by the Speaker's decision. A recent invitation by congressional leaders to Israeli Prime Minister Benjamin Netanyahu inviting him to address a joint meeting of Congress is proving to be a controversial topic. Some Democrats have criticized House Democratic Leader Hakeem Jeffries (D-NY) and Senate Majority Leader Chuck Schumer (D-NY) for getting boxed in to signing on to the invitation letter, as Israel continues its military operations in Rafah and amidst ceasefire negotiations. Republicans, meanwhile, are using the divisions within the Democratic party to their political advantage.

In an effort to protect his vulnerable incumbents, Leader Schumer [put](#) a bill on the Senate Floor this week to provide nationwide codification for a woman's right to access contraception, an issue increasingly relevant in a heated election year. Though two Republican senators, Lisa Murkowski (R-AK) and Susan Collins (R-ME), voted with Democrats to support the bill, the legislation failed to meet the procedural requirement of sixty votes. Schumer is expected to bring the bill back to the Floor for consideration at a later date.

Aerospace & Defense

[House Defense Bills on Collision Course Over F-35, Second Sub \(Defense One\)](#)

The House Appropriations Defense Subcommittee submitted a \$833 billion spending proposal on Tuesday, June 4. This proposal contrasts with the House Armed Services Committee's proposal on procurements for F-35s and a second submarine. The Appropriators' proposal includes funding for the purchase of eight F-35 fighters, with an overall purchase of 76 jets, and adheres to the Navy's submarine-building plan to fund one Virginia-class attack submarine. In contrast, the House Armed Services Committee proposes for fiscal 2025 to "cut spending on F-35s by ten fighters and delay the delivery of ten jets". They also push for procuring an additional submarine for the Navy to maintain a "cadence of two submarines per year". The bill would also cut funds for climate change initiatives, DoD's civilian workforce, and diversity, equity, and inclusion programs.

Additionally, it would block funding for service members to obtain an abortion. The House Appropriations Defense Subcommittee reported their bill to the full committee favorably.

[US, Philippines expand exercise to territorial edges amid tension with China](#)

[Boeing CEO to testify in Senate hearing June 18 \(CNBC\)](#)

Dave Calhoun, departing Boeing CEO, will testify in the Senate on June 18 regarding the safety allegations and quality controls of Boeing aircraft. The investigation resulted from a company engineer alleging that Boeing's 787 Dreamliners had excessive stress during assemblage, reducing their lifespans. In response, Boeing strongly stated, "they welcome the opportunity to appear before the Subcommittee to share the actions they have taken, and will continue to take." The hearing comes in the wake of two crashes involving a 737 Max and a 737 Max 9, which placed greater pressure on Boeing from the FAA and lawmakers. Sen. Richard Blumenthal, D-Conn., chairman of the Senate Permanent Subcommittee on Investigations, said, "I look forward to Mr. Calhoun's testimony, which is a necessary step in meaningfully addressing Boeing's failures, regaining public trust, and restoring the company's central role in the American economy and national defense."

Budget & Economy

[Treasury yields are flat as investors weigh economic data, interest rate outlook \(CNBC\)](#)

US Treasury yields "were little changed" on Thursday as investors considered the outlook for interest rate cuts. "The yield on the 10-year Treasury was down by less than one basis point at 4.285%. The 2-Year Treasury yield was last one basis point lower on the day at 4.728%" (as of 2:53 PM on Thursday). This comes as the European Central Bank announced interest rate cuts for the first time since 2019 despite "inflationary pressures in the eurozone". This decision is expected to put pressure on the US Federal Reserve to "follow suit and walk back monetary policy that investors view as too restrictive." Despite this, US rate cuts are not expected until later in the year. Also cutting interest rates is Canada, who became the first country in the Group of Seven to cut rates following cuts from central banks in Sweden and Switzerland earlier this year. Looking ahead, Investors are waiting on the latest economic data to assess the state of the economy and labor market. Data from ADP showed that private payrolls increased less than the 175,000 estimate at 152,000, and job openings figures for April were the lowest in three years at 8.059 million. The May jobs report coming later this week will provide greater insight into the state of the labor market.

[Wall Street is having trouble getting "too excited" about the US economy](#)

[European Stocks close at record highs after European Central Bank cuts interest rates \(CNBC\)](#)

Following the European Central Bank's first interest rate cut since 2019, European stocks closed at a record high on Thursday. The pan-European Stoxx 600 index closed at 524.75 points, and "all major bourses and most sectors were trading in the green, with tech stocks

jumping 1.17% while utilities fell 0.9%". Health care added 1.2%. Companies such as Novo Nordisk and Zealand Pharma, which are both working on new weight loss drugs, were up 3.9% and 7.4% respectively. This comes as stateside markets are not seeing the same record highs. The S&P 500 traded flat amid hopes that the Federal Reserve will cut interest rates following "two sets of softer US labor market data." The ECB's key rate is now at 3.75%. This is down from the record 4%, where it had been since September of 2023. It remains to be seen if the Federal Reserve will follow suit and begin to cut rates in the US.

Advanced Technologies

[DARPA harnesses AI to keep tabs on space weapons, spy satellites on orbit \(Defense Scoop\)](#)

On June 5, Slingshot Aerospace announced that it had partnered with the Defense Advanced Research Projects Agency (DARPA) to create Agatha: an AI system designed to identify harmful space weapons located in large satellite constellations. First piloted in 2023, Agatha is now fully operational and engaging in talks with U.S. government agencies and the private sector to integrate the AI technology into space domain awareness missions. Agatha's main objective is to harness inverse reinforcement learning to "evaluate an object's behavior and identify its intentions." Dylan Kesler, Director of Data Science and AI at Slingshot Aerospace states that "the need for transparency" in who owns and operates "massive [satellite] constellations" is increasingly imperative to maintaining national security. Agatha is being launched at the same time as governments around the world have announced their intent to launch large-scale satellite constellations. China plans to launch two mega constellations that comprise over 20,000 satellites later in 2024, and the Pentagon confirmed in March that Russia has launched what seems to be a counter space weapon to target American systems. Chief Master Sergeant Jacob Simmons, Senior Enlisted Leader at the US Space Command argues that his most pressing concern is improving "space domain awareness": Agatha is sure to be a first step towards addressing this issue and strengthening American security in space.

[US antitrust enforcers will investigate leading AI companies Microsoft, Nvidia and OpenAI](#)

[Army outlines progress on "unified network" \(Defense Scoop\)](#)

One of the largest issues facing the Army is that when a brigade deploys, the unit forms a local network that service members are required to set up and monitor on their own. Human error in catching anomalous activity and technological failure have historically made these networks very easy for adversaries to discover. In recent years, the Army has been dedicated to mitigating this risk by creating an Integrated Program Executive Office which works exclusively towards optimizing a unified SIEM (security information and event management) network that can span across brigades on both tactical and enterprise levels. According to Lt. Gen. John Morrison, the newest step towards integrating this network involves "shifting away from individual brigade combat team capability sets to a divisional architecture." This shift in organizational structure is termed "transforming in

contact,” and would allow for troop rotations to test new equipment, and be more responsive on an increasingly dynamic battlefield. On a broader scale, the Army has also focused on centralizing the delivery of services in security incident and event monitoring. Morrison states that the final goal is to create a network which is vertically and horizontally unified “between strategic, operational and tactical sectors,” has the ability to conduct multi-domain operations and can easily facilitate “end-to-end network visibility across all echelons.”

Military Installations & Communities

[US Navy Bases are Ejected Foreign Nationals 2-3 Times a week \(Maritime Executive\)](#)

The US Navy is catching a rising number of foreign nationals, particularly Chinese citizens, attempting to uncover secrets relevant to national security by making unauthorized entries onto military bases around the country. Chinese nationals have been arrested for accessing or spying on US Navy installations several times in the last couple years and two Navy service members born in China were recently arrested on espionage charges. Recently, these attempts to gain access to US Naval bases have been increasing, states US Fleet Forces Commander Admiral Daryl Caudle, "This is something we see probably two or three times a week, where we're stopping these folks at the gate, and this is just the Navy alone." The other branches of the military are facing a similar issue, such as the Marine Corps, whose base at 29 Palms in Southern California was hit with a similar, low-effort attempt at espionage. In March, an illegal Chinese immigrant was arrested after driving onto the base without authorization and handed over to Border Patrol agents.

[VA nurses protest in DC over chronic job vacancies at hospitals and clinics](#)

[VA Secretary Asked to Resign by Former Navy Seal Lawmaker in Wake of Executive Bonus Scandal \(Military.com\)](#)

Representative Derrick Van Orden called on Veterans Affairs (VA) Secretary Denis McDonough to resign in the wake of a report published by the VA Office of Inspector General that the VA authorized \$10.8 million in bonuses to 182 senior headquarters executives. The inspector general's report found that the VA under secretaries for health and benefits approved the bonuses, known as critical skill incentives, despite concerns from human resources and financial staff. The report further states that the VA undersecretary for health, Dr. Shareef Elnahal, kept McDonough informed about the bonuses paid to medical center directors and the heads of VA medical regions, but not about the bonuses to senior executives at the central office in Washington D.C.. During a House Veterans Affairs Committee hearing, Representative Derrick Van Orden stated, "I'm going to give you the opportunity to do what you just asked to do -- to be held accountable. ... This is a systemic problem. I do not think you are capable of serving in this capacity any longer". Earlier that week, a dozen Republican senators called for the firing of Elnahal, the undersecretary for benefits, Joshua Jacobs, and Deputy Secretary Tanya Bradsher in a letter to McDonough, stating “The use of this important authority to instead increase the salaries of executives in [VA Central Office] is unethical, a violation of VA policy, and in direct opposition to the intent of Congress”. Van Orden is the first member of Congress to

ask McDonough to step down.

Homeland Security

[Biden Imposes Sweeping Asylum Ban at US-Mexico Border \(Reuters\)](#)

On June 4, President Joe Biden issued an executive order banning migrants caught illegally crossing the United States-Mexico Border from obtaining asylum. Those caught crossing illegally will be quickly deported or turned back to Mexico under the order, with exceptions for unaccompanied children, people who face serious medical or physical threats and victims of trafficking. Asylum access will still be available to migrants who cross the border through legal pathways, such as registering for an immigration appointment through the CBP One app. The executive order will go into effect as soon as the daily average of border arrests exceeds 2,500 over a week, a threshold which anonymous border officials report is already being met. The ban would be paused when border arrests fall below 1,500 arrests per day for three weeks, a level which has not been seen at the southern border since the early months of COVID-19 when global travel was at a historic low. President Biden had been pushing Congress for months to pass a bipartisan Senate bill to strengthen border security measures, but Republicans rejected the bill after Former President Trump spoke out against the bill. Biden had taken additional measures to toughen border security, such as raising the standard for an initial asylum claim, but with no meaningful results, as US border arrests reached 4,300 per day in April. Attorneys for the ACLU stated that the organization intends to sue the Biden administration over the new restriction.

[Hundreds of Thousands of US Internet Routers Destroyed in Newly Discovered 2023 Hack](#)

[Ticketmaster Hit by Data Hack That May Affect 560m Customers \(Homeland Security Today\)](#)

On May 30th, Live Nation, the parent company of Ticketmaster, reported to the Securities and Exchange Commission (SEC) that Ticketmaster was recently targeted by a large-scale cyber attack and that hackers are threatening to sell customer data if the company does not pay approximately 400,000 dollars in ransom. The hacking group “ShinyHunters” reportedly had access to the names, addresses, phone numbers, and payment details of 560 million Ticketmaster customers. LiveNation stated that “We are working to mitigate risk to our users and the Company, and have notified and are cooperating with law enforcement” and they are working to notify users about potential unauthorized access to their personal information. On Friday, the bank Santander confirmed that it had also been hacked, reportedly by ShinyHunters, who has the data of 30 million customers including millions of account and credit card numbers. Authorities in both the US and Australia are working with Ticketmaster to respond to the situation.

Transportation & Infrastructure

[Last Bridge Section Removed Clearing Way for Reopening Baltimore Channel \(Maritime Executive\)](#)

The Army Corp of Engineers reported on Tuesday, June 4, that the last piece from Section 4 of the collapsed Francis Scott Key Bridge had been removed from the federal channel in Baltimore, clearing the path for normal navigation to reopen by Monday, June 10. The recovery of the last three pieces of the bridge required “approximately 200 tons to first be cut and removed before the main pieces could be handled as a result of being buried deep in the river mud line.” The final step in the removal process before navigation is back and running is dredging and inspecting the channel to ensure no remaining hazards and debris. The Dali ship that wrecked the bridge remains at the Seagirt Terminal as the ship undergoes work to remove damage from the vessel and is expected to be moved to a shipyard around Norfolk, Virginia. With the recovery work nearly completed, the focus is shifting towards efforts to replace the bridge, with a contractor set to be picked this summer and the estimated timeframe for completion to be by fall of 2028 for \$1.7 billion.

[Electric air taxi maker Archer Aviation gets key FAA sign-off](#)

[Biden-Harris Administration Announces \\$7.8 Million in Grants to Help Connect People to Health Care and Other Critical Services \(DOT Press Release\)](#)

On Thursday, June 6, the U.S. Department of Transportation’s Federal Transit Administration (FTA) announced \$7.8 million in grants for 17 projects in 15 states improving public transportation access to health services for low-income communities, older adults, and people with disabilities. The additional funding for the transit pilot program will go towards supporting innovative transportation projects and organizations connecting the public transportation needs of underserved groups to access health care and other critical services. Among the selected projects is the Illinois Department of Transportation, which received \$1.8 million to design and implement an integrated technology system to improve mobility for people in 20 rural counties in southern Illinois.

Biotechnology & Healthcare

[United Healthcare contract ends, leaving patients without insurance at Infirmiry Health \(NBC\)](#)

It was announced on Wednesday that the contract between Infirmiry Health and UnitedHealthcare officially ended, and the two sides have not been able to make any progress in solving the issue. As a result, thousands of people in Southern Alabama will now be forced to pay out of pocket to see a doctor. In a release, Infirmiry Health said “After months of negotiations, it is apparent that UHC is unwilling to recognize the escalating costs associated with operating a quality, comprehensive healthcare system in today’s economic environment”. Infirmiry cites increased costs for supplies, labor, and pharmaceuticals as the points of dispute between them and UHC. Going forward, “people with UHC commercial insurance will no longer have in-network coverage for inpatient or outpatient services at infirmiry health hospitals. Senator Tommy Tuberville responded to the news saying that “healthcare workers, doctors, nurses, and hospitals need our support”.

[How a small Georgia town is feeling the rural health care crisis](#)

[Supreme Court sides with Native American tribes in health care funding dispute with government \(ABC\)](#)

“The Supreme Court sided with Native American tribes Thursday in a dispute with the federal government over the cost of health care when tribes run programs in their own communities”. The result from the 5-4 decision is that the government will now cover the millions of dollars in overhead costs that two tribes experienced when they began running their own health care programs. The federal Indian Health Service established by treaty in the 1800s has been providing tribes with health care, but poor conditions and understaffed facilities lead to many tribes forming their own local programs. The problem arose when the money the IHS paid to these tribes did not cover the overhead costs for billing insurance, costing the tribes millions of dollars. The Department of Health and Human Services had said that the cost of covering the overhead for all of the tribes that run their own programs would cost between \$800 million and \$2 billion per year. They also argued to the court that they already pay some of the overhead costs, but that they are “not responsible for costs associated with third-party income.” The majority of federally recognized tribes now contract with the IHS to run at least part of their own health care programming.

Climate & Development

[4 Takeaways from POLITICO's Energy Summit](#)

On June 5, White House Officials, Industry Leaders, and Republican lawmakers attended the POLITICO Energy Summit, principally discussing the Inflation Reduction Act (IRA). The IRA is composed of 8 titles, each of which seek to promote resilience to climate change. White House Officials insisted that the IRA cut greenhouse gas emissions and build a new energy workforce. Republican perspectives on the IRA varied: Sen. Cynthia Lummis (R-WY) expressed interest in using unspent climate money for Social Security, while Rep. Andrew Garbarino (R-NY) stated that many IRA provisions have GOP support. White House Officials primarily worked to shore up support from young environmentalists after the youth-organized Sunrise Movement announced it would withhold support from the Biden-Harris campaign because of the administration's support of domestic fossil fuel production. The Officials further worked to prove that the IRA is still boosting the country's economy, even if many projects are not operational yet. On the other hand, leaders at KPMG and Lazard vocalized their perspective that the IRA benefits and tax credits are “incredibly complicated” and slow to take effect, further weighing down progress in their industries. Finally, White House representatives defended the Biden Administration's recent tariffs on Chinese electric vehicles, advanced batteries, and solar cells.

[UN chief says world is on 'highway to climate hell' as planet endures 12 straight months of unprecedented heat](#)

[U.S. may revive some shut nuclear plants to help meet emissions goal, Energy Chief says \(Reuters\)](#)

On June 4, Energy Secretary Jennifer Granholm stated that the U.S. could “revive” some recently retired nuclear power plants to meet a rising demand for zero-emissions electricity. This announcement aligns with the Biden Administration’s platform that nuclear power is crucial to decarbonize the economy by 2050. Since the cost of new nuclear power plants is largely considered to be unfeasible, the Department of Energy has shifted towards rehabilitating some of the dozen U.S. plants which have closed since 2013. In March, the Department of Energy’s Loan Programs Office (LPO) awarded a \$1.52 billion conditional loan to Holtec International to reopen a reactor in Michigan. This Palisades reactor - originally closed in 2022 - should it meet the nuclear safety guidelines of the Nuclear Regulatory Commission, would be the first plant of its kind to reopen. Secretary Granholm also advocated for building new reactors at 30 of the existing power plants across the U.S., which would expand the capacity of nuclear energy in a cost-effective way. In the private sector, Joseph Dominguez, the CEO of Constellation Energy (CEG) - the company which creates the most nuclear power generation in the U.S. - said he would be willing to restart some of CEG’s closed reactors, should the Palisades reactor pass its safety examination, and receive the loan. While Granholm’s plan seems like an innovative, cost-effective solution, the future of nuclear power is still uncertain; no new U.S. reactors are currently being constructed, and the most recently built reactors were completed years behind schedule, and billions of dollars over budget, with consumers even having to pay for some of the costs.

Next Week's Hearings

Armed Service Committee:

House: NONE

Senate:

- 6/12, Time TBA - National Defense Authorization Act Markup (Full Committee)

Appropriations Committee:

House: NONE

Senate:

- 6/12, 10:00 AM - Review of FY25 Budget for CIA and NSA

Homeland Security Committee:

House:

- 6/13, 2:00 PM - Assessing Microsoft Corporation's Cybersecurity shortfalls and the

implications for Homeland Security

Senate:

- 6/11, 3:30 PM - Coast Guard Oversight: Sexual assault and harassment



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