

December 2, 2020

Today's Driving Events

- **Biden Unveils Economic Team:** President-elect Biden's newly announced economic team underscores the Democratic ethos of going big on fiscal policy but serious restraints and concessions face Biden if Republicans maintain control of the Senate.
- **CDC Panel Meeting to Provide Guidance to States Ahead of Potential Vaccine Approval:** The Centers for Disease Control and Prevention's (CDC) Advisory Committee on Immunization Practices (ACIP) will hold an emergency meeting today at 2:00 p.m. to provide guidance to states on vaccine distribution ahead of the Food and Drug Administration's (FDA) December 10th meeting to discuss issuing emergency use authorizations for the two vaccine candidates that have applied.
- **Pai's Departure Gives Democrats an Early Gift:** Federal Communications Commission Chairman Ajit Pai will be leaving the agency once President-elect Biden gets inaugurated. This departure could have significant implications for net neutrality and other broadband policy items.

What Biden's Economic Team Means (and Doesn't): President-elect Biden yesterday [formally announced](#) members of his economic team. They include Janet Yellen for Treasury secretary, Wally Adeyemo for deputy Treasury secretary, Neera Tanden for Office of Management and Budget (OMB) director, Cecilia Rouse for Council of Economic Advisors (CEA) chair, Jared Bernstein and Heather Boushey for members of the CEA. While not formally announced, Brian Deese is expected to be appointed as National Economic Council (NEC) director, which is the one appointment of these that would not require Senate confirmation. **Biden's picks are largely in line with how Biden campaigned and where the consensus of the Democratic Party is today when it comes to fiscal policy. That's to prize experience, diversity, and the understanding that the risk of doing too little is greater than the risk of doing too much when it comes to fiscal policy.** The president-elect's press release noted that this is a "crisis-tested team" that will "lift America out of the current economic downturn and build back better — creating an economy that gives every single person across America a fair shot and an equal chance to get ahead. These choices reflect the president-elect's commitment to

building an administration that looks like America, drawing on the diverse backgrounds and lived experiences of some of our nation's foremost economic experts." Janet Yellen joined Twitter yesterday and tweeted, "We face great challenges as a country right now. To recover, we must restore the American dream—a society where each person can rise to their potential and dream even bigger for their children. As Treasury Secretary, I will work every day towards rebuilding that dream for all." Jared Bernstein yesterday tweeted, "I'm soooo excited to get to work with my awesome new colleagues in fast pursuit of full employment and a recovery that reaches everyone." **We can expect them to hit the ground running with the explicit support of Biden in crafting economic analyses and policies that support and complement the Biden and congressional Democratic economic agenda.** This is a more substantive role than the CEA and NEC have played under President Trump where they focused more on communications than policy (e.g. Larry Kudlow), parroting the congressional Republican talking points (e.g. Kevin Hassett), and often were at odds with Trump (e.g. Gary Cohn). **Yellen, Adeyemo, Rouse, Bernstein, and Boushey should have little trouble getting confirmed by the Senate, but Republicans are indicating they will put up a fight on Tanden's confirmation. Like under Trump, the OMB under Biden will be one of the most powerful positions in the administration, as it's the point of review and prioritization for regulatory actions.** It's unclear right now if Tanden's confirmation is in serious trouble or whether at least a couple of moderate and institutionalist Republicans will give Biden the benefit of the doubt in installing someone at OMB who may rub Republicans the wrong way but isn't a "radical progressive." **More importantly, Biden's economic team can signal all they want about their outlook for bold fiscal policy, but Biden faces serious governing constraints, particularly with legislation. Democrats need to win both Georgia runoff Senate seats on January 5th for their vision to become a reality. These are winnable races but they are also eminently losable.** Right now, Republicans are [outspending](#) Democrats in the runoff races. If Republicans win one or both runoffs, Senate Majority Leader Mitch McConnell (R-KY) will remain at the helm of the Senate, and his economic vision is much different than that of the Democrats. McConnell in control of the Senate floor schedule could also make it more difficult for someone like Tanden to get confirmed in a timely manner (or at all). **Under divided government, there is a path for some real deficit spending, but it requires meaningful concessions to Republicans, something that Biden and his economic team may be willing to do. That would come by increasing defense discretionary spending at parity to non-defense spending and agreeing to business tax cuts for progressive tax cuts. But Biden and his economic team are also highlighting a crisis mentality and a need for action as soon as possible. A stymied legislative agenda could put greater emphasis on executive actions. It will also put a greater emphasis on satisfying long-term progressive priorities via executive actions.** Biden has yet to announce his nominees for Consumer Financial Protection Bureau (CFPB) director, attorney general, assistant attorney general for antitrust, Federal Trade Commission (FTC) chair, Securities and Exchange Commission (SEC) chair, and several other positions that could have an outsized regulatory impact on economic-related policy.

Of course, these positions also require Senate confirmation, something McConnell could delay or block with a controversial nominee. This could lead to acting heads in the interim (e.g. Rohit Chopra leading the CFPB in an acting capacity while also remaining as an FTC commissioner under the Vacancies Act).

Key CDC Vaccine Panel Meets: If the two vaccine manufacturers, **Pfizer (PFE)** and **Moderna (MRNA)**, that have already applied for emergency use authorizations with the Food and Drug Administration (FDA) for their Covid-19 vaccines receive approval, vaccinations could begin nearly immediately. **Federal and state governments are trying to prepare now for this rapid pace, which necessitated the rescheduling of the Centers for Disease Control and Prevention's (CDC) Advisory Committee on Immunization Practices (ACIP) to meet today at 2:00 p.m.** ACIP typically meets after the FDA approves a vaccine to review all available data about the vaccine candidate and then holds a vote on the vaccine recommendation, with the ability to vote on whether it is safe for specific populations to receive it or not. If ACIP recommends approval, the CDC director, currently Dr. Robert Redfield, then must decide whether to approve the decision as formal CDC policy. **The change in scheduling is another example of how the vaccine approval process is being expedited to combat Covid-19, though ACIP will meet again after the FDA's December 10th meeting as well. The decision also highlights the pressure on states to smoothly execute vaccine distribution.** The committee is meeting ahead of the FDA so that it can release its guidance on prioritization of which populations should receive the vaccine first so that states, which are already planning and face a Friday deadline for deciding who in their states would be vaccinated first, can take the guidance into account and be prepared to implement their plans if a vaccine is approved at the FDA meeting on December 10th. Some, including CDC Director Redfield, have commented that approval at that meeting is plausible, though FDA Center for Biologics Evaluation and Research head Peter Marks [said last week](#) that it could be a matter of a few days or a few weeks. **Even though states have the final say in their distribution plans, ACIP's guidance will likely shape overall responses.** The panel has already recommended that frontline health workers be included in the earliest rounds and is expected to recommend that residents in nursing homes and long-term care facilities as well as essential workers also be first in line, though states will have to determine the final plan and account for the number of vaccines they receive and the number of those in each group in their state. ACIP will also have to decide in which order they recommend vaccinating these populations in the first round. **They will have to adapt the panel's recommendations early on when the numbers in these groups exceed the number of vaccines available.** The intense planning by states is occurring even as they continue to call for more funding to cover the costs of planning for and carrying out vaccinations. **Senate Minority Leader Chuck Schumer (D-NY) said over the weekend that states need an additional \$30 billion. Calls like this for additional funding will likely become more frequent and urgent as the vaccines are approved and**

Pai Departs FCC as Biden Considers His Successor: Federal Communications Commission (FCC) Chairman Ajit Pai yesterday [announced his intent to depart the agency](#) in January which will give President-elect Biden and Democrats an opportunity to quickly inherit majority control of the agency. Senate Republicans are trying hard to push President Trump's FCC nominee Nathan Simington through at record speed, however, his nomination will continue to run into Democratic opposition and it could take a while for it to come to a vote, if he receives one at all. Our current base case is Simington doesn't get confirmed in time during the lame duck period, which would give Democrats a 2-1 majority at the FCC once Biden is inaugurated and Pai departs the agency. Given her seniority, we believe Democratic Commissioner Jessica Rosenworcel is the more likely pick to serve as Biden's acting chair. While Rosenworcel is also rumored to be at the top of the list of people to be nominated by Biden to serve as the FCC chair, it's worth noting that FCC chairs have traditionally had strong ties to the president and/or been prominent donors, current Chairman Pai being an exception to the case. That was the case though for former FCC Chairman Tom Wheeler, who was appointed under President Obama. Wheeler previously served as a top cable and wireless industry lobbyist and raised more than \$700,000 for Obama's two presidential campaigns. To be sure, the political dynamics at stake this time around are certainly different, given progressives' push to install women and people of color to leadership posts in the Biden administration, not to mention those without industry ties. In addition to Rosenworcel, other names in the running are former FCC Commissioner Mignon Clyburn, Gigi Sohn, and Larry Strickling. Rep. Jim Clyburn (D-SC), Mignon's father, the most senior African-American lawmaker in Congress, and whose endorsement of Biden is credited as being a key variable in his critical South Carolina primary victory, recently expressed disappointment that Biden had named just "one Black woman so far" to a senior position. While the left's ongoing push to get Biden to elevate more women and people of color to leadership positions will likely be a major factor in who he selects for FCC chair, Mignon Clyburn might not actually want the position given how she [recently accepted a position](#) to serve on **RingCentral's (RNG)** board of directors. **While we continue to believe there will be few major changes to 5G spectrum policy once Biden assumes office, given how most of the pending spectrum auctions already have established dates and the Trump administration has already been shifting its focus toward concrete action to free up more mid-band airwaves and expand unlicensed opportunities, the most material policy changes to come at the FCC could involve targeted Covid-19 relief, an increased emphasis on closing the so-called**

“homework gap,” more inter-governmental coordination on initiatives involving a cloud-based virtualized architecture, otherwise known as 5G open radio access network (RAN), and most notably, a return to the Obama-era net neutrality regulations. Investors with an interest in the latter should note that while we remain skeptical that the progressive faction of the Democratic Party will be successful in their push toward directly regulating the prices charged by broadband service providers, there could be added headline risk in the weeks to come, especially in the event that Biden selects a more progressive-minded figure to head the FCC.

House

The House is not in session.

Senate

The Senate will convene at 10:00 a.m. and will resume consideration of the nomination of Taylor B. McNeel to be a district judge for the Southern District of Mississippi. At 11:00 a.m., the chamber will hold a final confirmation vote on McNeel's nomination and a procedural vote on the nomination of J. Philip Calabrese to be a district judge for the Northern District of Ohio. The Senate will recess from 12:30 p.m. until 2:15 p.m. for respective weekly caucus lunches. At 2:15 p.m., the Senate will hold a final confirmation vote on Calabrese's nomination and then a procedural vote on the nomination of Kyle Hauptman to be a member of the board of the National Credit Union Administration.

White House

President Trump has no events on his public schedule.

Macroeconomic

At 9:30 a.m., the Peterson Institute for International Economics will hold a webinar titled "Rebuilding the Global Economy: Role of the U.S. Department of State." [More information here.](#)

At 11:00 a.m., the Chicago Community Trust will hold a virtual discussion titled "Community Reinvestment Act Modernization." [More information here.](#) Expected participants include:

- Lael Brainard, governor, Federal Reserve Board of Governors

At 12:00 p.m., the Atlantic Council will hold a webinar titled "Leadership Through Crisis." [More information here.](#) Expected participants include:

- Christine Lagarde, president, European Central Bank

At 1:15 p.m., San Francisco Federal Reserve Bank President Mary Daly will speak before a virtual Economic Forecast Luncheon hosted by Arizona State University.

At 2:00 p.m., the Brookings Institution's Center on Fiscal and Monetary Policy, and the Peterson Institute for International Economics will hold a webcast titled "Fiscal Policy Advice for Joe Biden and Congress." [More information here.](#) Expected participants include:

- Lawrence Summers, former secretary, Department of the Treasury
- Ben Bernanke, former chairman, Federal Reserve Board of Governors
- Jason Furman, former chairman, Council of Economic Advisers

At 3:00 p.m., Chicago Federal Reserve Bank President Charles Evans will give opening remarks before the virtual "Visions for Milwaukee's Future: a Community Forum."

Antitrust

At 11:00 a.m., the Brookings Institution will hold a webcast titled "The Future of Tech Antitrust in the Biden Administration." [More information here.](#)

Banking

Today through Thursday, the Financial Times will hold its virtual Global Banking Summit. [More information here.](#)

Coronavirus and Coronavirus Relief Legislation

At 9:00 a.m., Washington Post Live will hold a virtual discussion with Moncef Slaoui, chief science adviser for Operation Warp Speed. [More information here.](#)

At 10:00 a.m., the Senate Banking, Housing, and Urban Affairs Committee will hold a hearing titled "The Quarterly CARES Act Report to Congress." Expected participants include:

- Steven Mnuchin, secretary, Department of the Treasury
- Jerome Powell, chairman, Federal Reserve Board of Governors

At 2:00 p.m., the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices will hold an emergency meeting to discuss distribution of

coronavirus vaccines. [More information here.](#)

Energy, Environment, and Natural Resources

At 9:00 a.m., the Center for Global Development will hold a webinar titled "Digital Agriculture." [More information here.](#)

At 10:00 a.m., the Atlantic Council will hold a webinar titled "Unearthing Potential: The Future of U.S. Geothermal." [More information here.](#)

Geopolitical

At 9:00 a.m., the Carnegie Endowment for International Peace will hold a virtual discussion titled "US-China Relations Under Biden: A Lookahead." [More information here.](#)

Healthcare

Today and Wednesday, the National Academy of Sciences, Engineering, and Medicine will hold a virtual workshop titled "Security of America's Medical Product Supply Chain." [More information here.](#)

At 10:30 a.m., the Primary Care Collaborative will hold its virtual 2020 conference titled "Reimagining Primary Care." [More information here.](#)

At 10:30 a.m., BIO and LaVoieHealthScience will hold a virtual discussion titled "2021 Preview: A 360 Degree Global Market View." [More information here.](#)

Tech-Media-Telecom

Today and Wednesday, the Association of Public-Safety Communications Officials will hold its virtual Emerging Technology Forum. [More information here.](#) Expected participants today include:

- Jessica Rosenworcel, commissioner, Federal Communications Commission

At 10:00 a.m., the Federal Communications Commission will hold a meeting by teleconference of the Technological Advisory Council. [More information here.](#)

Transportation

At 1:00 p.m., the Federal Aviation Administration will hold a meeting by teleconference of the Safety Oversight and Certification Advisory Committee.



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