

ECONOMY

KEY TAKEAWAY: Biden celebrated slowing inflation, falling unemployment and increasing job growth, but he sparked tensions with Republicans in the chamber by reiterating calls for Congress to lift the debt ceiling without changes to spending policies.

- The State of the Economy: Biden placed the blame for inflation squarely on supply chain disruptions related to the COVID-19 pandemic and the Russian invasion of Ukraine. He celebrated decreases in gas and food prices and noted that a record 10 million Americans applied to start new businesses over the last two years. Touting a near-record low unemployment rate and the creation of 800,000 manufacturing jobs through the IRA, Biden said the bipartisan passage of the CHIPS and Science Act would continue to increase job growth over the next two years.
- Clean Debt Ceiling Increase: Biden credited the Trump administration with accumulating nearly 25% of the current national debt and reiterated calls for a clean increase in the debt limit. He also accused “some” Republicans of seeking cuts to Medicare and Social Security in exchange for a reprieve from the debt limit; both statements evoked disagreement from Republicans, leading Biden to engage briefly with some of the dissenting lawmakers.
- Budget Season Starts in March: Biden said his proposed budget for fiscal year (FY) 2024, which will be released in March, will lower the deficit by another \$2 trillion without cuts to Social Security or Medicare programming. In the spirit of bipartisanship, he encouraged Republicans to offer counterproposals.

LEGISLATIVE VICTORIES

KEY TAKEAWAY: Biden repeatedly referenced the enactment of priority legislation during his tenure, notably the IRA, IIJA, Honoring our PACT Act, Respect for Marriage Act, CHIPS and Science Act, and Electoral Reform Act.

- Building Resiliency and Updating the Tax Code: Arguing that the IRA is the most historically significant investment toward addressing the climate crisis, Biden highlighted its programs to improve natural disaster preparedness, lower pollution and create jobs in disadvantaged communities, among other topics. He also pointed to its requirement that certain large companies adhere to a new 15% corporate alternative minimum tax based on financial-statement net income. He said this would reduce the number of profitable companies he believes currently abuse the tax system by paying nothing in federal income taxes.
- Traditional Infrastructure Investments: Biden described the IIJA as the largest investment in infrastructure since President Eisenhower’s interstate highway system, noting that over 20,000 projects have been funded since its passage—many of which, he said, are in states represented by Republicans who opposed the legislation.
- Domestic Manufacturing: The passage of the CHIPS and Science Act will create hundreds of thousands of new jobs in the United States, Biden reported. The bipartisan package was enacted last year and will bolster the domestic supply chain for semiconductor chips.

IMMIGRATION

KEY TAKEAWAY: Biden seeks to make immigration bipartisan again. While touting a tougher approach toward the border, he also reiterated his calls for passing comprehensive immigration reform and pathways for citizenship.

- Calls for Congressional Action: Biden called for a bipartisan effort on immigration policy, encouraging Congress to harken back to an across-the-aisle consensus on the issue. Although he called for Congress to pass comprehensive immigration reform, he qualified this by imploring legislators to “at least” approve his plan to approve more funding for border officers and equipment in order to secure the border. He made a similar plea for instituting pathways to citizenship for DREAMers, migrants designated as Temporary Protected Status (TPS) beneficiaries, seasonal farm laborers, and essential workers.
- Addressing Illicit Activity and Illegal Entries: Biden touted multiple efforts his administration has taken to address the southern border situation, including deploying a “record number” of law enforcement to secure the border, which he said has resulted in the arrest of 8,000 human smugglers and seizure of over 23,000 pounds of fentanyl within the last year. Moreover, he reported that since announcing his new initiative to crack down on illegal migration early last month during a trip to El Paso, Texas, unlawful entries of migrants from Cuba, Haiti, Nicaragua and Venezuela have decreased by 97%.
- Fentanyl: Biden called for a “major surge” in efforts to stop the production and distribution of fentanyl. This would be achieved in part by boosting drug detecting efforts at points where cargo crosses the border and by imposing strong penalties on fentanyl traffickers. Biden highlighted ongoing work in this space with couriers.

INTERNATIONAL AFFAIRS

KEY TAKEAWAY: Under the Biden administration, the United States has been a global leader in countering Russia, bolstering democracies around the world and revitalizing alliances across a range of hard power and soft power areas.

- Continued Support for Ukraine Affirmed: Biden recognized the forthcoming anniversary of the conflict’s outbreak, invoking World War II and calling the military campaign by Russian President Vladimir Putin a “murderous assault.” He painted the invasion of Ukraine as a litmus test for the United States and the broader global community, one that saw America reaffirm its place as an international coalition builder. The Ukrainian Ambassador to the U.S. Oksana Markarova was in attendance again, evoking a promise from Biden to stand with Ukraine for “as long as it takes.” Biden’s remarks convey the administration’s pledge of continued support, in addition to serving as a foil to some congressional Republicans who have recently called for reducing levels of U.S. assistance or ramping up oversight of aid to the Eastern European nation.
- Democracy Bests Authoritarianism: Biden struck an optimistic note on the global state of democracy, citing the role of U.S. global leadership in bolstering democratic systems and weakening autocracies. Biden said America is “rallying the world again” to meet a range of challenges, and he credited the efforts of U.S. allies to boost their defense spending and foster transatlantic relationships. The veracity of Biden’s claims on the state of democracy is unclear, but his touting of alliance-building points to the United States’ initial success at

building coalitions on hard power, including efforts to establish intercontinental critical mineral supply chain initiatives as a means to decrease global reliance on China-sourced products in the green tech transition.

- New Buy American Standards: Biden previewed new standards to require all construction materials used in federal infrastructure projects to be made in America, listing lumber, glass, drywall and fiber optic cables as examples.

COMPETITION WITH CHINA

KEY TAKEAWAY: Biden skirted the balloon in the room and said the United States seeks competition, and not conflict, with China. He also expressed his commitment to working with China to advance American interests.

- Investments in U.S. Industry: Biden said his administration is focused on investing in American innovation and industries to go head-to-head with companies backed by the Chinese government. He said winning the competition with China should be a bipartisan issue.
- U.S. Sovereignty: Biden made no direct references to the Chinese spy balloon that traversed U.S. airspace last week. However, he reaffirmed the United States will act to address any threats China makes to U.S. sovereignty.

TECHNOLOGY, TELECOMMUNICATIONS AND DATA PRIVACY

KEY TAKEAWAY: Biden called for sweeping data privacy legislation for children and teenagers. He also called for strengthened antitrust legislation to prevent big online platforms from taking advantage of consumers.

- Data Privacy Protections for Children and Teenagers: Biden called on Congress to pass legislation banning the biggest online platforms from collecting personal data on children and teenagers, outlawing targeted advertising online to children, and placing stricter limits on the amount of personal data tech companies can collect on all consumers. House Republicans have called for passage of a comprehensive data privacy bill, building off of bipartisan efforts from the last Congress. However, hurdles still remain in addressing concerns over preemption of existing state data privacy laws.
- Antitrust to Rein in Big Tech: Biden highlighted the passage of the Ocean Shipping Reform Act of 2022 to promote competition among ocean carriers, and he called on Congress to act in a similar manner to crack down on anticompetitive practices by some of the largest online platforms.

TAXATION

KEY TAKEAWAY: While Biden hailed the successes of the IRA as a step toward a more equitable economy, he framed several of his administration's other legislative priorities

as solutions to lower the deficit and combat a tax system he characterized as still “unfair.”

- Continued Focus on Taxing Large Corporations: Biden doubled down on his promise to tax large corporations by suggesting that Congress increase the current 1% stock buyback excise tax to 4%. This proposal was offered as a solution specifically to target large oil companies, which he noted “just reported record profits.” Biden believes this increased tax would reduce the deficit and motivate corporations to focus on long-term investment over shareholder gains. However, this proposal is unlikely to receive bipartisan support in a split Congress.
- Increased Taxes on Wealthy Individuals: Biden applauded the passage of \$45 billion in new IRS enforcement funding over the next 10 years, which he believed will lower the deficit and ensure “tax fairness” by increasing audits on wealthy taxpayers. Biden also re-proposed his “billionaire minimum tax,” which was previously included in the [Treasury Department’s Fiscal Year 2023 Revenue Proposals](#). If enacted, this proposal would require taxpayers with over \$100 million in net assets to pay a minimum tax rate of 20% on the total value of their income, including unrealized capital gains. As with the call for an increased stock buyback tax, GOP lawmakers have expressed strong opposition to this proposal.
- Lowered Taxes for Families: Biden called for a return to the expanded Child Tax Credit (CTC) that was temporarily provided to taxpayers through the American Rescue Plan Act. In the past, Republicans have been open to CTC expansion if it included work requirements. He also reiterated his promise not to increase taxes on individuals making less than \$400,000 annually.
- Energy Tax Incentives: Biden highlighted the passage of several new and expanded tax credits for domestic climate and clean-energy investments. Using these incentives, Biden said that families could now “save more than \$1,000 a year” on home-energy costs.

HEALTH CARE

KEY TAKEAWAY: Biden highlighted health care wins over the past year and vowed to protect them while also asking Congress to build on these successes.

- Drug Pricing: Biden touted the drug pricing provisions in the Inflation Reduction Act and called on Congress to extend the \$35 monthly cap on insulin under Medicare to the commercial market. He pledged to veto any efforts to repeal the Inflation Reduction Act or other legislation that would raise the cost of prescription drugs.
- Health Coverage: Biden noted that enhanced Marketplace subsidies will expire in 2025 and called on Congress to make this benefit permanent as well as to expand coverage to those currently ineligible for Medicaid.
- Fraud and Abuse: Biden said his administration is preventing insurance companies from sending surprise medical bills and cracking down on nursing homes that commit fraud, endanger patient safety or prescribe drugs that patients do not need.
- Reproductive Health: Biden said while his administration is doing everything it can to protect access to reproductive health care and safeguard patient privacy, more must be done. He called on Congress to codify *Roe v. Wade*.
- Accelerating Disease Research: Biden said his administration launched ARPA-H to drive breakthroughs in the fight against cancer, Alzheimer’s, diabetes and other diseases. He highlighted his plan to supercharge his Cancer Moonshot initiative, with a goal of cutting the

cancer death rate by at least half over the next 25 years. He applauded the bipartisan success of PEPFAR, and argued Congress has an opportunity do the same with cancer.

- COVID-19 Preparedness: Biden said the U.S. government must continue to remain vigilant on COVID-19 by monitoring new variants and supporting the development of new vaccines and treatments. He called on Congress to fund these efforts to keep Americans safe.

CLIMATE AND ENERGY

KEY TAKEAWAY: Biden divided the chamber on climate, both reiterating the significance of the IRA's climate investments and emphasizing that oil and gas will be essential for at least the next decade.

- IRA Climate Investments: Biden said the IRA included support for lower utility bills, strengthening the grid, creating new jobs, advancing clean energy initiatives, and providing tax credits to purchase electric vehicles and energy-efficient appliances. He also highlighted his administration's recent action to conserve public lands, likely referencing the protection of lands and waters in Bristol Bay and the Tongass National Forest in Alaska and Boundary Waters Area Watershed in Minnesota.
- Unscripted Support for Oil and Gas: Biden departed from his planned remarks with an ad-libbed declaration that America will need traditional energy sources for a while. In another unscripted comment, he said he has had conversations with oil and gas companies who fear that the administration will shut down domestic oil and close refineries, which has discouraged investments in the industry. He went on to say that he told them America will need oil and gas for at least another decade, prompted both cheers and jeers from the audience.
- Profits Under Scrutiny: Biden also criticized oil companies for reporting record profits last year; the administration continues to press the industry to increase oil production and invest in drilling while simultaneously advocating for a transition away from fossil fuels and accusing companies of keeping gas prices artificially inflated.

CONSUMERS AND WORKFORCE

KEY TAKEAWAY: Biden stated that the nation can "restore the dignity of work" by allowing employees the freedom to work and organize.

- Non-compete Agreements: Biden criticized the use of non-compete agreements, drawing boos from some in the chamber. His administration is currently accepting comments on a controversial Federal Trade Commission proposal to ban those agreements for nearly all workers.
- PRO Act Returns: Biden again called on Congress to pass the Protecting the Right to Organize (PRO) Act, reviving highly partisan legislation to support unions and alter worker classification standards. It has no chance of advancing in the Republican House.
- Junk Fee Crackdown Underway: Credit card late fees, banking overdraft fees, resort fees and airline ticket pricing are some of the areas where Biden plans to increase transparency and eliminate "junk fees." Some regulatory activity is already pending, but Biden also called for passage of the Junk Fee Prevention Act.

EDUCATION AND THE CARE ECONOMY

KEY TAKEAWAY: Furthering the efforts to “restore the dignity of work,” Biden outlined ways to invest in families and students’ education. He said the investments, several of which are outstanding campaign promises, will increase productivity and economic growth.

- Helping Families at Home and at Work: Biden revisited his support for working parents, advocating for sick days, paid family and medical leave, expanding affordable child care in order to allow more people to go to work and provide for their families. He also asked Congress to pass his plans to allow seniors with disabilities to receive necessary home care services and to raise teacher pay.
- Universal Preschool: Biden said 12 years of education is no longer sufficient to succeed in the global economic competition of the 21st century, and countries with more robust early childhood education have an advantage. Biden highlighted the need for universal access to preschool for all 3- and 4-year-old children, a campaign promise he has yet to fulfill. While Republicans have put forth proposals to address child care, a universal pre-k proposal has no chance of passage.
- Support for Higher Education: While Biden did not explicitly discuss his imperiled student loan forgiveness plan, the president highlighted his administration’s efforts to reduce student debt and increase Pell Grants. Biden reiterated previous calls to invest in and expand community colleges, as well as provide two years of community college.

SOCIAL ISSUES

KEY TAKEAWAY: Biden revisited a range of social policies favored by the administration that have limited potential to clear the divided Congress.

- Policing and Gun Reforms: Following recent incidents of police brutality and gun violence, Biden recognized that police officers must be held accountable but need more resources and training, particularly given the growing challenges of the mental health and substance abuse crises. He highlighted his successes in this space, but he called for further reforms and a ban on assault weapons.
- Access to Safe and Affordable Housing: Biden said more investment is needed to improve families’ access to affordable, quality housing and to bolster the availability of high-speed internet. He also revisited his efforts to replace lead pipes in homes and schools across the country to protect children’s health and provide access to clean drinking water.