

How Much Does Your Business Rely on FEDERAL POLICY?

The Biden administration brings change, opportunity and risk for some businesses. Anyone paying attention is aware of policy changes in climate, energy and immigration. Currently, the policy changes that we see are coming out in executive orders and speeches. So, how does a company plan for its future and know how changing federal policy will affect them?

Let us take a closer look at President Joe Biden's Executive Order 14005, [Ensuring the Future is Made in All of America by All of America's Workers](#). There is some significant debate regarding the following language, "The U.S. government should, whenever possible, procure goods, products, materials, and services from sources that **will help American businesses compete in strategic industries and help American workers thrive**" (emphasis added). The first half is not hard to ascertain, as the Biden administration is doing a good job of articulating its priorities. The end of the sentence is a bit vague, but based upon our public service experience and industry knowledge, we think this will be an important phrase to pay attention to in the future.

With regard to "strategic industries," energy and sustainability are near the top of the list. What

we find intriguing is how fast the Department of Defense is pivoting. The senior civilian leadership for energy policy in the Pentagon is highly respected and has significant experience going back to the Obama administration. In early February, the Air Force (AFWERX) hosted a webinar, "Reimagining Energy for the Department of Defense" to summarize their priorities. Defense contractors should pay attention to this outline, which includes:

- Fixed and mobile energy generation.
- Energy transmission and distribution.
- Fixed and mobile energy storage.
- New warfighting and operational equipment.
- Data availability for improved planning and decision making.
- Energy culture, policy and education.





We still do not know the extent of the SolarWinds hack. Hacks are not new. The public disclosure of hacks and the amount of information provided to the public is an encouraging trend. We know that the new cyber policy will translate into new federal legislation that will change corporate America.

So, what is next? We foresee an updated national security strategy (followed by a new national defense strategy) that will outline our national strategic priorities and define our national "strategic industries," taking us back to Executive Order 14005. The new national security strategy will be a great guide for businesses that rely on international business. We expect changes to policy that will affect foreign military sales. Executive Order 14005 directs changes to the Federal Acquisition Regulations (FAR) as well.

There are also rumblings of a revised version of the [American Recovery and Reinvestment Act \(ARRA\) of 2009](#). We do not expect you to read all 407 pages; but suffice it to say, this was an \$800B investment in America to "create jobs." Some of the funding was dedicated to energy efficiency renewable energy programs, smart grid investments, advanced battery research, clean water and environmental remediation.

Fast forward to 2021. We think that a 2021 version would include funding for the Biden administration's "strategic industries." Regardless of your thoughts on the Green New Deal, we feel a 2021 version of ARRA would provide funding for programs that are consistent with the Green New Deal and focus on carbon capture and clean energy.

We also think that every business should pause and consider the effect of new federal policies on their business. Some businesses may need to adjust their strategies, and look to these new policies as a potential way to create additional opportunities to maximize their sales and profitability. If you want to learn more, Warner attorneys Adam Bruski and Michael Stone will be hosting an upcoming webinar titled, "How Much Does Your Business Rely on Federal Policy?" on Tuesday, March 23, 2021, to discuss these and related topics. Visit wnj.com/Events to register for the event.



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