

July 8, 2024

Headlining This Week's Brief

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Top Stories

Hurricane Beryl Makes Landfall in Texas, 2.2 Million Without Power, One Dead

Beryl gradually intensified Sunday night before landfall, reaching Category 1 strength with **maximum sustained winds of 80mph**. The **center passed near Matagorda, Texas**, just before 4 am on Monday and is now tracking north-northeast over eastern Texas. At least one fatality has been confirmed in Harris County after a tree fell on a house; there are unconfirmed reports of a second fatality. As of Monday morning, over 2,200,000 people are without power across Southeast Texas, including Houston. Widespread **flood alerts** are in effect, with radar-estimated rain totals approaching 10-12 inches across central and southern Houston as of this morning. **Over 1,300 flights** in and out of Houston's two major airports have been canceled, and Houston METRO transportation services will be suspended until further notice. Tropical storm-force wind gusts may continue within the metro through late Monday afternoon, followed by much-improved conditions overnight. Late Monday, gusts between 40-60mph and torrential rainfall will lift into Northeast Texas, Northwest Louisiana, and Southwest Arkansas. Scattered power outages and flooding are likely with significant impacts remaining east of the Dallas metro.

Progress Toward Ceasefire Deal Amid Israel-Hamas Negotiations

Last week, mediators for Israel and Hamas neared a ceasefire deal that would ensure the return of hostages currently being held in Gaza after Hamas negotiators agreed to **reconsider** their demand for a permanent ceasefire. The suggested agreement would be carried out in multiple phases, with the first stage including a withdrawal of Israeli troops from Gaza and negotiations for

the return of Israeli hostages to conclude within the first five weeks of the ceasefire. On Sunday, demonstrators **blocked highways** across Israel, with many calling for Israeli Prime Minister Benjamin Netanyahu to step down and accept the ceasefire terms. He **responded** late Sunday night, stating that “Any deal will allow Israel to resume fighting until all objectives of the war have been achieved.” Earlier in the week, an Israeli **airstrike** in Lebanon killed Mohammed Nasser, one of Hezbollah’s top commanders and one of the highest-ranking members targeted by Israel in the last nine months. Hezbollah launched over 200 rockets at several sites in Israel in response to the attack. Subsequent missile attacks **injured** an Israeli soldier and two civilians, including a U.S. citizen, prompting both sides to increase retaliatory strikes through the weekend.

NATO Summit Arrives in D.C., Bringing Heightened Security, Disruptions, Protests

Heightened security, area restrictions, and transport disruptions can be expected in Washington, D.C., this week during the 2024 North Atlantic Treaty Organization (NATO) Summit, which runs from Tuesday to Thursday. It is the first time in 25 years that the U.S. capital has hosted the summit, and significant resources are being dedicated to ensuring it runs smoothly. The implemented measures, outlined by officials **here**, are expected to present a prominent deterrent to threat actors and protesters; however, the event’s high-profile nature and guest list make it an attractive target for both groups. Pro-Palestine activists engaged in demonstrations over the weekend, and further related activity is likely in the coming days. Russia’s war in Ukraine, along with **China’s role in the conflict**, is expected to top the agenda at the conference as Moscow’s grinding offensive continues. Developments in the Middle East are also likely to be discussed as deeper conflict between Israel and Hezbollah looms and the West struggles to stop Houthi attacks that have upended global shipping markets.

Climate and Natural Hazards

- **Flood Threat From Beryl as it Tracks Northeast Through Central-Northeastern U.S.:** The remnants of Hurricane Beryl will accelerate northeast across the eastern U.S. through mid-week. Level 2 to Level 3 (four-tier scale) excessive rainfall risk has been highlighted from Arkansas to Michigan and New Hampshire between Tuesday and Wednesday. Localized instances of flooding will be possible in the Northeast U.S.
- **Western U.S. Wildfire Danger, Prolonged Heat Wave:** On Sunday, **Las Vegas** shattered its all-time high, reaching 120F for the first time on record (previous record: 117F). **Around 100 million people** are under heat alerts on Monday as the long-lasting heat wave enters another day. Extreme heat is expected into the middle to end of the week, reinforcing the risk for heat-related illnesses and wildfire danger. Over 150 fires have started in California since the holiday weekend, including the **Lake Fire** in Santa Barbara County, which has grown to over 20,000 acres.
- **Monsoon Season Triggering Flooding, Landslides in Nepal and Northern India:** In just the past 24 hours, landslides and flooding have killed at least 15 people in Nepal, according

to **international media**. In Assam, floods have affected **2.3 million people** across 28 districts. Conditions may worsen this week as the **India Meteorological Department** has issued Orange Level 2 to localized-maximum Level 3 thunderstorm and rainfall warnings centered over Northeast India through at least Thursday.

Worldwide

- **Heightened Security, Demonstrations Expected at RNC in Milwaukee:** On Sunday, the Republican National Convention will kick off its annual conference with a welcome party in Milwaukee's Henry Maier Festival Park before holding three days of events at the Fiserv Forum, Baird Center, and Panther Arena. Robust security measures will be in place, and the city, in conjunction with the U.S. Secret Service, has provided comprehensive details on those efforts **here**. In addition to enhanced security, significant protest activity is expected. Local officials **reported** that in June, over 100 applications were filed to demonstrate during the conference, headlined by a "March Against the RNC" on Monday.
- **FBI Releases Report on Active Shooter Incidents, Surgeon General Warns of Gun Violence:** The Federal Bureau of Investigation (FBI) recently released its latest **report** on active shooter incidents in the U.S. The agency found that incidents increased by 60% since 2019, with 48 incidents and 244 casualties in 2023. Around the same time the report was made public, the U.S. Surgeon General **declared** gun violence a public health crisis, particularly as active shooter incidents become more frequent. The declaration came following a **rash of mass shootings** in the U.S.
- **French Legislative Elections Round Out Busy Voting Week:** In an **unexpected turn**, France's left-wing alliance secured victory in Sunday's legislative elections, and President Emmanuel Macron's centrists made a comeback, pushing the National Rally party into third place. Nevertheless, none of the three blocs have enough seats to form a majority, resulting in a hung parliament and political uncertainty ahead of the Olympic Games later this month. Elsewhere in the election world this week, Keir Starmer's Labour Party achieved a **major victory** in the U.K. general election, ending 14 years of Conservative rule, and a **reformist candidate**, Masoud Pezeshkian, was elected President of Iran.
- **More Terror Arrests in France Highlight Threat Ahead of Olympics, Bastille Day:** On Friday, French Interior Minister Gérald Darmanin told **media** that authorities had arrested "several" terror suspects in recent days who "may have planned and planned" attacks. They are the latest to be detained as the country seeks to mitigate the threat of terrorism ahead of and during the Olympic Games, a threat that Darmanin **said** remains "extremely strong." The first contingent of police reinforcements for the Games, around 5,000 officers, **arrived** in the French capital recently, and more are expected in the coming weeks. Additional security personnel will also be dispatched in Paris and elsewhere this weekend as officials work to secure events commemorating Bastille Day, which have been **targeted** by terrorists in the past.

- **Despite Talks, Tensions Continue to Flare in South China Sea:** After high-level talks last week, **the Philippines and China agreed** on the need to “restore trust” and “rebuild confidence” to manage maritime disputes better; however, confrontational **rhetoric** continues, and the weekend saw Manila **accuse** Beijing of anchoring its largest coastguard vessel in its exclusive economic zone (EEZ). Relations have also been strained recently across the Taiwan strait, with Taipei calling on Beijing not to escalate tensions after the **seizure of a Taiwanese fishing boat** and **additional combat patrols**.

Cyber and Regulatory

- **Updates on U.S. Non-Competes, Regulations Requiring Heat Breaks:** Last week, a federal judge ruled to partially **block** a rule by the U.S. Federal Trade Commission (FTC) that would ban certain non-compete agreements nationwide on the grounds that the FTC lacked the authority to implement such broad regulations. About 20% of workers in the U.S. have signed such agreements with their employers. Non - competes are already banned in several states, including California, Minnesota, Oklahoma, and North Dakota. In a separate development, the U.S. Department of Labor **proposed** new regulations to protect employees from extreme heat. The **ruling** would require employers to provide mandatory breaks to employees under certain heat index thresholds and develop injury and illness prevention plans. The proposal comes as heat-related safety risks rise along with historically high temperatures reported globally. An average of 34 heat-related workplace deaths are recorded per year.
- **New Zealand to Press Ahead With Media Content Pay Law:** New Zealand’s conservative coalition government **announced** plans to proceed with a bill requiring digital technology platforms to pay media companies for news. The Fair Digital News Bargaining Bill aims to help local media companies earn revenue amidst competition with tech firms for advertising dollars. Communications Minister Paul Goldsmith stated the bill would align with Australia’s similar law, which mandates negotiations between internet firms and media outlets for content supply deals. Meta criticized the bill for ignoring platform realities and user preferences, while Google did not comment. The bill needs support from other parties to pass, as one coalition partner opposes it.
- **Cybersecurity Researchers Sound Alarm Over New Vulnerability:** Researchers with IT security firm Qualys **discovered** an open-source security vulnerability with the potential to be as widespread as the 2014 Heartbleed vulnerability, which affected roughly 500,000 websites running an open-source encryption tool. The flaw, dubbed “regreSSHion,” affects how systems authenticate a user’s identity and was discovered in a popular OpenSSH server that organizations use to manage remote access and secure communications. The vulnerability allows attackers to gain complete control of the system that the code is running on, install malware, and create backdoors to continue accessing corporate

networks. OpenSSH fixed the issue and requires users to update to the latest version of the OpenSSH tool, as systems that are not patched quickly would be vulnerable to attack.

- **U.S. Supreme Court Ruling Challenges Cybersecurity Regulation Efforts:** As noted last week, the U.S. Supreme Court **overturned** the “Chevron deference” doctrine, a move that is expected to have wide- ranging impacts, including on cybersecurity regulation. Experts believe the shift will make it harder to regulate the cybersecurity space and **suggest** the ruling will lead to legal challenges against rules like the SEC’s requirements on cyber incident disclosures.
- **Meta Accused of Breaking European Law With “Pay or Consent” Model:** Facebook parent company Meta is **under scrutiny** by the European Commission for allegedly violating new digital competition rules with its “pay or consent” advertising model. The model requires European users to either pay for ad-free versions of Facebook and Instagram or accept personalized ads. The Commission’s preliminary view is that this binary choice forces users to consent to data use without offering a less personalized, equivalent version. Meta could face a fine of up to 10% of its global annual revenue, approximately \$13.5 billion, if confirmed. Meta disputes the findings, asserting compliance with European laws and seeking further dialogue with the Commission.

Infrastructure and Supply Chain

- **Southeast Asian Countries Raise Minimum Wage, Manufacturers Raise Concerns:** Last week, the Vietnamese government issued a decree to **increase** the minimum monthly and hourly wages of workers by six percent. The move adds Vietnam to the growing list of Southeast Asian countries that have implemented minimum wage hikes in recent months, including Thailand, which **announced** plans to increase the daily minimum wage to 400 baht (\$10.84), and the Philippines, whose P35 (60 cents) increase in the daily minimum wage **enraged** labor groups in the country. The hikes are seen as a win for local labor groups but have prompted **concerns** for companies that rely on cost-friendly manufacturing labor in Southeast Asia.
- **Governments Taking Action to Bolster Domestic Food Stocks, Impacting Inflation:** Big agricultural commodity traders caught part of the blame for worsening food prices through profit-boosting markups throughout Russia’s invasion of Ukraine, but one of the world’s largest commodity traders says food price inflation is at **least partially the result of government trade barriers**. While wealthier countries build up surpluses of strategic commodities, exaggerated demand leads to higher prices. In 2022, Indonesia banned palm oil exports to protect the local market. In 2023, India imposed export restrictions on rice to curb rising domestic prices. Norway is building a grain stockpile this year to prepare for a potential crisis. Risks leading to food instability also include shipping disruptions and erratic weather. Food security expert Chris Hegadorn said, “Countries are getting more and more nervous [...] Price volatility continues to be a major problem.”

- **"Red Sea Vessel Diversions, Port Congestion Highlight Global Shipping Strains:** As peak-season demand rises, global shippers are facing an inability to utilize optimal sailing schedules to avoid Houthi attacks in the Red Sea and increasingly congested ports in both Asia and the West. According to Singapore's Transport Minister, almost 90% of container ships **arrive in Singapore off-schedule**, and a possible **late-summer strike at East and Gulf coast ports** is boosting sooner-than-usual orders. Bloomberg **issued three scenarios** (best, worst, and most likely) around the second half of this year, including crucial factors such as whether Houthi attacks in the Red Sea continue. The Houthis recently switched tactics, now **using kamikaze drone boats**, which have proven more effective than their missiles or flying drones. Red Sea delays, port delays, and strike worries indicate that shipping costs will remain high for the rest of the year."
- **Boeing Agrees to Plea Deal Related to Two Fatal Crashes:** Boeing **agreed** to a plea deal on Monday related to two crashes of its 737 Max jetliners that claimed the lives of 346 people. This follows the U.S. Justice Department's recent **determination** that the company had violated a settlement that protected the company from criminal prosecution. Federal prosecutors claim that Boeing "committed conspiracy to defraud the government" by "misleading regulators." The plea deal, which would require Boeing to pay an additional \$243.6 million fine, involves an independent monitor to oversee the company's safety and quality procedures for three years and invest at least \$455 million in compliance and safety, awaiting approval by a federal judge. The deal does not cover other incidents that implicate Boeing, nor does it cover Boeing officials. Lawyers of the victims' families intend to ask the judge to reject the deal.
- **U.S. DOT Awards \$1.8 Billion for Infrastructure Funding:** The U.S. Department of Transportation (DOT) recently **announced** that it will provide \$1.8 billion in infrastructure grants to support 148 projects across the country. The grants come from the Biden-Harris administration's Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program. The funding will be split between urban "and rural areas, with a heavy portion of the grants destined towards "historically disadvantaged or areas of persistent poverty," including discretionary grants for "critical freight and passenger transportation." The project selections include \$25 million to restore climate-related degradation in Alaska and the construction of a 300-foot bridge over the Conemaugh rail line in Sharpsburg, Pennsylvania, among other projects."

Health

- **CDC Monitoring U.S. Salmonella Outbreaks:** The Centers for Disease Control and Prevention (CDC) reported an **outbreak** of Salmonella in 38 **states**, with at least 195 people diagnosed and 50 hospitalized. The outbreak involved seven serotypes of Salmonella, which were found inside boxes of poultry. The CDC is working with hatcheries and new poultry owners to control the spread of the disease. Separately, Drug Emporium

Yogurt Flavored Pretzels are also being **recalled** due to potential contamination with Salmonella. Specifically, this is a recall of lactose powder from Grande Ingredients in Wisconsin, which affects units sold in Texas and Louisiana. The CDC also continues to **monitor** and investigate a Salmonella outbreak connected to cucumbers.

- **Moderna Receives \$176 Million From U.S. to Produce Bird Flu Vaccine:** The U.S. government **awarded** Moderna a \$176 million contract to produce a bird flu vaccine. Late-stage testing for the inoculation will begin in 2025. The contract comes as concerns grow over a multi-state outbreak of H5N1 in dairy cattle and the **infection** of four people. Since February 2022, over 10,780 people have been monitored for exposure to infected cattle, with over 400 tested.
- **Oropouche Virus Found in Cuba:** The Cuban Public Health Ministry (MINSAP) confirmed the **presence** of the Oropouche virus in nine provinces. Oropouche virus is a **disease** found in South America and is primarily transmitted through the bite of an infected mosquito. Symptoms like dengue (fever, headache, joint stiffness, pain, chills, and persistent nausea and vomiting) begin roughly four to eight days after the infected bite. Most people recover within seven days. There is no antiviral treatment or vaccine for the disease.
- **Dengue Fever in Florida:** Following a recent **national advisory by the CDC** for increased risk of dengue fever, two cases were **confirmed** in the Florida Keys. Dengue fever is not contagious but transmitted through an infected mosquito's bite. While most cases in the U.S. have been linked to travel (745) or are in Puerto Rico (1,498), the cases in Florida were locally acquired. Since the beginning of the year, 43 countries in the Americas have **reported** more than nine million cases of dengue fever, over twice the amount for all of 2023. Symptoms include aches and pains, nausea and vomiting, and a rash. Approximately one in 20 infected will develop severe dengue, which could require hospitalization.
- **"DHS, FBI Warn About Phishing, Social Engineering Campaigns Targeting Healthcare:** The Department of Homeland Security (DHS) and the Federal Bureau of Investigation (FBI) released a joint cybersecurity **advisory** regarding social engineering and spear phishing campaigns targeting healthcare and public health entities. Threat actors are increasingly utilizing phishing schemes to steal login credentials and divert automated clearinghouse (ACH) payments. To mitigate the potential for attack, the agencies provided several **recommendations**, including implementing multi-factor authentication (MFA) for all accounts and corporate communication platforms.

Demonstrations and Industrial Action

- **After Nine Months of Israel-Hamas Conflict, Demonstrations Still Going Strong:** Tens of thousands of pro-Palestinian activists **gathered** in London on Saturday in just one of the **numerous related demonstrations** recorded over the past week. In the days ahead, more large actions are planned, including those in the capital of the U.K. On Saturday, the

group **Youth Demand** says it is time to “escalate” activity, which is leading a demonstration in Russel Square Gardens at noon. Other notable actions include a demonstration in Montreal on Saturday beginning at François-Perreault Park and a trio of gatherings in the Italian cities of Florence (Palazzo Medici Riccardi), Milan (Prefecture), and Rome (Piazza Cavour) on Thursday. Significant protest activity is also expected to continue this week in Israel, where protesters engaged in a series of disruptive actions in recent days.

- **Notable Climate Demonstrations Ahead:** This morning, climate activists targeting Citibank with a demonstration **campaign** dubbed “Summer of Heat” returned to the bank’s Manhattan headquarters to hold a press conference and disruptive protest. They intend to head back to the area on Wednesday for a “kid and family” friendly event. They will engage in further sporadic actions throughout the rest of the month, culminating in a “mass march and civil disobedience” on July 27. Additional, smaller solidarity demonstrations are planned at banks across the U.S. this week. Other highlighted upcoming climate demonstrations include a **targeted campaign** against oil and gas firms in Aberdeen, Scotland, starting Wednesday and a “major protest” by Letzte Generation Austria outside Parliament in Vienna on Saturday.
- **Samsung, Hyundai Workers to Strike in South Korea:** The largest Samsung workers’ union in South Korea, the National Samsung Electronics Union (NSEU), announced a three-day general strike beginning today after wage negotiations failed. Around 28,000 NSEU members, a fifth of the company’s workforce, plan to strike until demands are met. The union is calling for **improvements** to the company’s performance-based bonus system and an extra day of annual leave. Analysts believe the strike is **unlikely** to majorly impact Samsung’s chip output as most of the production is automated. However, that is **partly dependent** on which workers participate and how long. In a separate action impacting another South Korean giant, unionized workers at Hyundai Motors **announced** a two-day partial strike starting Wednesday.
- **Albania Opposition to Mount Large Demonstration Thursday in Tirana:** Road disruptions and heightened security can be expected near the Prime Minister’s Office in Tirana on Thursday due to a demonstration against the current government called by Former PM and opposition leader Sali Berisha. In a recent **speech**, Berisha, who was **ordered** under house arrest in December in connection with an investigation into corruption during his time in office, invited Albanians to gather “united in civil disobedience” on Thursday for “the most powerful protest” the country has ever seen. Demonstrators are expected to arrive on Bulevardi Dëshmorët e Kombit around 8 pm.
- **Other Actions We’re Watching This Week:** Healthcare workers in **Portugal, Kenya, and Morocco** intend to carry out strikes and demonstrations this week. In Kenya, where the government is already facing a wave of unrest, workers began a sit-in at the Ministry of Health in an action dubbed “Occupy MoH.” Elsewhere, large demonstrations are expected in **Warsaw**, Poland, on Tuesday and **La Paz**, Bolivia, on Friday. Northern Ireland is set to

see Twelfth of July parades this week. The annual events have resulted in clashes in the past and involve **significant security presence**. This year, Ardoyne in north Belfast will be a spot to watch following the **collapse** of a 2016 agreement that has helped avoid confrontations in recent years.

Upcoming Events

- July 9-11: NATO Summit (Washington D.C.)
- July 14: Bastille Day (France)
- July 15: General Elections (Rwanda)
- July 15-18: Republic Party National Convention (Milwaukee, WI)
- July 17: Ashura (Global) - *Tentative Date*
- July 26-September 8: 2024 Paris Olympic and Paralympic Games (France)
- July 28: Presidential Elections (Venezuela)
- August 9: National Day (Singapore)
- August 10: Independence Day (Ecuador)
- August 12-18: Tour de France Femmes (France)
- August 15: Independence Day (India)
- August 17: Independence Day/Inauguration of New Capital (Indonesia)
- August 19-22: Democratic Party National Convention (Chicago, IL)
- August 26-September 8: U.S. Open (New York City, NY)
- August 31: Independence Day (Malaysia)