

U.S. Supreme Court scrutinizes Biden college student debt relief



The fate of President Joe Biden's plan to cancel \$430 billion in student debt for some 40 million borrowers is placed in the hands of the U.S. Supreme Court on Tuesday in a case that presents another major test of executive branch authority. The nine justices are set to hear arguments in the Biden administration's appeal of two lower court rulings blocking the policy that he announced last August in legal challenges brought by six conservative-leaning states and two

student loan borrowers opposed to the plan's eligibility requirements, the Associated Press reported. Under the Democratic president's plan, the U.S. government would forgive up to \$10,000 in federal student debt for Americans making under \$125,000 who took out loans to pay for college and other post-secondary education and \$20,000 for recipients of Pell grants awarded to students from lower-income families. The program fulfilled Biden's 2020 campaign

promise to cancel a portion of the nation's \$1.6 trillion in federal student loan debt but was criticized by Republicans and others as an overreach of his authority. The policy, intended to ease the financial burden on debt-saddled borrowers, could face scrutiny by the court under the so-called major questions doctrine. Its 6-3 conservative majority has employed this muscular judicial approach to invalidate major Biden policies deemed lacking clear congressional

authorization. Biden's administration has said the plan is authorized under a 2003 federal law called the Higher Education Relief Opportunities for Students Act, or HEROES Act, that allows student loan debt relief during wartime or national emergencies. Many borrowers experienced financial strain during the COVID-19 pandemic, a declared public health emergency. Beginning in 2020, the administrations of President Donald Trump, a Republican, and Biden, a Democrat, repeatedly paused federal student loan payments and halted interest from accruing, relying upon the HEROES Act. Biden's administration contends that the challengers have not suffered the sort of legal injury needed to give them the proper standing to bring their lawsuits. The challengers have said Biden's administration failed to provide an adequate legal underpinning for the program. In the legal challenge brought by individual borrowers Myra Brown and Alexander Taylor, Texas-based U.S. District Judge

Mark Pittman ruled the student loan forgiveness program lacked "clear congressional authorization." The New Orleans-based 5th U.S. Circuit Court of Appeals declined to put Pittman's decision on hold pending appeal. Missouri-based U.S. District Judge Henry Autrey found the states - Arkansas, Iowa, Kansas, Missouri, Nebraska and South Carolina lacked the legal standing to sue. On appeal, the St. Louis-based 8th U.S. Circuit Court of Appeals found at a minimum that Missouri likely had standing to sue and that court temporarily blocked the Biden program from taking effect while the case proceeded. One theory of legal standing advanced by the states is that Biden plan's would harm a Missouri-based student loan servicer - a company involved in collecting payment - which in effect would injure that state. The two individual borrowers have said the administration's failure to allow public comment over Biden's student debt forgiveness plan deprived them of "procedural rights" under federal law.



A college student poses for a photograph at the U.S. Supreme Court, ahead of a case to reinstate U.S. President Biden's debt cancellation plan, in Washington, U.S., February 22, 2023
● Tom Brenner | REUTERS

Under the Democratic president's plan, the U.S. government would forgive up to \$10,000 in federal student debt for Americans making under \$125,000 a year.

NEWS IN BRIEF

Elon Musk is world's richest person again



BLOOMBERG - Elon Musk entered 2023 with a net worth of \$137 billion, becoming the first person ever to lose \$200 billion from their fortune and raising the prospect that he might struggle to reclaim his title as the world's richest individual. He gave 11.6 million Tesla shares to unnamed charitable causes between August and December, according to a disclosure in February. The stock was worth about \$1.9 billion.

Canadian banks build loan loss reserves



REUTERS - Bank of Montreal (BMO.TO) and Bank of Nova Scotia (BNS.TO) stockpiled rainy-day funds and reported a fall in first-quarter profit on Tuesday, as the Canadian lenders prepare for customers slipping on payments amid rising concerns of a recession. Canada's central bank has over the past 11 months lifted interest rates at a record pace to 4.5% to tame inflation, which at 6.3% in December remained well above the bank's 2% target.

U.S. Caterpillar workers plan possible strike



REUTERS - Union workers at four Caterpillar Inc (CATN) U.S. facilities have threatened to strike for wage increases, improved safety measures and better healthcare benefits once a six-year labor contract expires this week. The contract, which covers roughly 7,000 union employees represented by the United Auto Workers at three manufacturing plants in central Illinois and a parts and distribution center in York, Pennsylvania, will end on March 1.

Sunak says international companies 'queuing up' to invest in NI



UK Prime Minister Rishi Sunak speaking at a Coca-Cola factory in Northern Ireland
● THE INDEPENDENT

UK Prime Minister Rishi Sunak has insisted businesses "don't need to worry" about a planned hike in corporation tax from 19% to 25% in April. The Prime Minister, who is facing a rebellion over the

policy as senior Tory MPs demand the rise is stopped, was challenged over the increase during a visit to Northern Ireland. He was asked how the region will remain attractive for foreign direct investment once its corporation tax is double that of the Republic of Ireland. Sunak said international companies are "queuing up" to invest in Northern Ireland once his new Windsor Framework for the region's post-Brexit trading arrangements is implemented, with access to EU and UK markets putting it in an "unbelievably special position." Speaking at a Coca-Cola

factory, the former chancellor said corporation tax is going up because "we're borrowing an enormous amount of money." "That's not good. It's not good for the country and we've got to get that borrowing down. We've got to do that in a responsible way and that's going to help us do it," he said. The Prime Minister and Chancellor Jeremy Hunt have faced pressure from senior Conservative MPs to use the spring Budget to scrap the planned corporation tax hike, including from former home secretary Priti Patel and ex-Tory leader Sir Iain Duncan Smith.

The right of the Tory party is pushing them to slash taxes ahead of the next election in a bid to revive the UK's stalling economy, which only narrowly avoided falling into recession last year. Former prime ministers Boris Johnson and Liz Truss are among those advocating for cuts. Yet, Sunak defended the planned corporation tax rise. "This is why you don't need to worry about it. At 25%, it will still be the lowest rate out of all the large economies that we compete with around the world. It also only applies to the biggest 10% of companies."

He added he wanted to see businesses investing more, and spoke of an "incredibly generous tax break" for small or medium-sized businesses to invest back into their company or expand. Businesses in Northern Ireland, the Prime Minister said, would benefit from being in "the world's most exciting economic zone." "If we get this right, if we get this Framework implemented, if we get the Executive back up and running here, Northern Ireland is in the unbelievably special position - a unique position in the entire world, European continent - in having privileged access, not just to the UK home market, which is enormous... but also the European Union single market. "That's like the world's most exciting economic zone."

Huawei export licenses could be revoked by U.S.: Report

The Biden administration is considering revoking export licenses issued to U.S. suppliers for sales to Chinese telecom company Huawei Technologies Co., according to people familiar with the matter, part of a broader tightening of technology trade over national security concerns, a Wall Street Journal report said on Tuesday. The administration previously indicated that it was considering not granting any new export licenses to companies such as Qualcomm Inc. QCOM

-0.74% and Intel Corp. INTC -0.95%, which provide chips needed for smartphones and other devices. The action would cover products that use advanced 5G technology as well as older 4G products. The new action would take that a step further by revoking existing licenses. It comes amid heightened U.S.-China tensions triggered by a suspected Chinese spy balloon traversing the U.S. and intelligence suggesting Beijing is considering provision of

lethal aid to Russia for its Ukraine war. "The policy that had allowed exports to Huawei, notwithstanding the entity listing, is being wound down," said a former senior security official familiar with the administration's policy deliberations. "The White House is now telling Commerce, 'Cut off the 4G sales, the time has come to do more pain to Huawei, to try to finish their demise,'" the former official said. Huawei was placed on the Commerce Department's

so-called entity list in 2019 by the office that oversees export controls, the Bureau of Industry and Security. The BIS cited potential national-security threats when it issued the punitive listing, which requires exporters to secure special licenses approving the sale of U.S. technology to the firm. U.S. officials say they are concerned China's government could use Huawei's telecommunications tech for spying. Intel declined to comment. Huawei and Qual-



● BLOOMBERG

comm didn't immediately respond to requests for comment. Huawei has said its products aren't

a national-security risk. The Commerce Department declined to comment.