

MNI POLITICAL RISK ANALYSIS – US Daily Brief 13-06-22

By Adam Burrowes

The White House

12:30 ET 17:30 BST	President Biden receives his daily brief
14:00 ET 19:00 BST	The President signs into law the “Commission To Study the Potential Creation of a National Museum of Asian Pacific American History and Culture Act”
15:00 ET 20:00 BST	Press Briefing by Press Secretary Karine Jean-Pierre

Elections Countdown:

- ❖ Maine, Nevada, North Dakota, South Carolina primaries: 1 days
- ❖ 2022 Midterm Elections: 148 days.
- ❖ 2024 Presidential Election: 877 days

Energy Security

- President Joe Biden has accelerated his assault on alleged price gouging by energy companies.
- In remarks at the Port of Los Angeles on Friday Biden said: “Why don’t you tell them what Exxon’s profits were this year? This quarter? Exxon made more money than God this year. Exxon, start investing. Start paying your taxes.”
- Democrats in Congress and the White House have both accused oil companies of misusing profits and neglecting investment in new projects.
- Biden again repeated a line which has come up in Congressional hearings and Biden’s speeches: There are “9,000 permits for drilling” but oil companies “are not drilling.”
- Biden: “Why don’t they drill more? Because they make more money not producing oil. Prices go up on the one hand. No. 2, the reason they are not drilling is they are buying back their own stock, should be taxed quite frankly. Buying back their own stock and not making new investments.”
- Biden’s remarks came in the aftermath of more high inflation data. The President conceded that inflation was causing significant hardship to American families but reiterated that his administration’s argument that “Putin’s price hike” is to blame: “But make no mistake about it, I understand inflation is a real challenge to American families. Today’s inflation report confirmed what Americans already know: Putin’s price

hike is hitting America hard. Gas prices at the pump, energy and food prices account for half of the monthly price increases since May.”

- There was some suggestion last week that the administration may be nearing agreement on a windfall tax on energy giants although analysts and oil executives consider such a move unlikely.
- Some Democrats, however, have pointed to a recent windfall tax passed in the UK as a template for the US. Rep Ro Khanna (D-CA): "If the conservative government in the UK can support a windfall tax, we should be able to pass a US equivalent.”
- Biden also criticised the shipping industry. Biden accused a cartel of shipping companies of raising prices by up to 1,000 percent.
- Biden: “Every once in a while something you learn makes you viscerally angry, like if you had the person in front of you, you’d want to pop them.... Let those nine foreign shippers understand, the rip-off is over,” he said.
- On Friday, Biden will host the Major Economies Forum on Energy and Climate.

Middle East

- Senior Advisor for Energy Security Amos Hochstein is in Lebanon today and tomorrow “to discuss sustainable solutions to Lebanon’s energy crisis.”
- Hochstein had a busy week last week in Congress where he testified to a House committee that the European energy crisis could not be solved without a fundamental change in consumption patterns.
- He also conceded that, due to high energy prices, Russia may be making more money from energy sales now than before the war, despite US led sanctions.
- Hochstein will underscore the Biden Administration’s hope that Lebanon and Israel can reach a decision on the delimitation of the maritime boundary as the two Levantine neighbours appear close to conflict over gas fields in disputed waters.

Saudi Arabia

- The White House may announce a widely anticipated Biden trip to Saudi Arabia today.
- According to the Wall Street Journal’s Vivian Salama the meeting with Crown Prince Mohammed Bin Salman is still on the agenda despite conflicting reports.
- President Biden yesterday rejected suggestions that the trip was designed to coax the Kingdom into hiking oil production claiming, instead, a potential trip would be focused on Israeli and US national security.
- Biden: “The commitments from the Saudis don’t relate to anything having to do with energy. It happens to be a larger meeting taking place in Saudi Arabia. That’s the reason I’m going. And it has to do with national security for them – for Israelis.”

Congressional Business

The House will convene at 12:00 ET 17:00 BST

The Senate will convene at 15:00 ET 20:00 BST

Committee Schedule:

- ❖ HOUSE Select Committee to Investigate the January 6 Attack on the United States Capitol hearing on the January 6th Investigation

January 6 Select Committee

- The January 6 Committee is back today after the primetime hearing last week. Today's session will focus on the "Big Lie," former President Donald Trump's claim that the 2020 election was stolen, or illegitimate. Former Trump campaign manager Bill Stepien will provide testimony.
- A Congressional hearing is not a criminal case so the question remains whether the Department of Justice will decide to prosecute the former president.
- Politico: "The volume of the conversation around charging Trump — and its massive impact — will put pressure on [Attorney General] Merrick Garland's decision."
- Ken Dilanian of NBC: "There have been conversations inside the Justice Department about the far-reaching implications of pursuing a case against Trump, should it come to that."
- New York Times: "The first prime time hearing into the Jan. 6, 2021, attack on the Capitol this past week confronted the fundamental question that has haunted Mr. Trump, the 45th president, ever since he left office: Should he be prosecuted in a criminal court for his relentless efforts to defy the will of the voters and hang on to power?"
- Neal K. Katyal, acting solicitor general under President Barack Obama: "I think the committee, especially Liz Cheney, outlined a powerful criminal case against the former president."
- Robert W. Ray, counsel who investigated President Bill Clinton and Trump defence: "Unless there's more evidence to come that we don't know about, I don't see a criminal case against the former president."
- Ray: "Whatever the Proud Boys had in mind when they stormed the Capitol, I don't see how you'd be able to prove that Trump knew that that was the purpose of the conspiracy."
- Rep Elaine Luria (D-VA): "Trump was told by multiple people — it should have been abundantly clear — that there was no evidence that showed the election was stolen, and he ignored that. And so, the hearing that we're going to have on Monday is really focusing on a deep dive in that."
- Rep Jamie Raskin (D-MD): "I think we can prove to any reasonable, open-minded person that Donald Trump absolutely knew, because he was surrounded by lawyers, including the attorney general of the United States, William Barr, telling him in no uncertain terms, in terms that Donald Trump could understand: This is B.S."

NATO

- The Senate Foreign Relations Committee passed a resolution last week urging NATO to quickly process the NATO membership bids of Finland and Sweden.
- The Nordic countries' accession prospects don't look any clearer this week. Turkey continues to maintain opposition over alleged support of terror designated Kurdish groups and NATO Secretary General Jen Stoltenberg accepted that Turkey has legitimate concerns over terrorism. Finland has said they would withdraw their membership bid if Sweden was blocked from joining.

Summit of the Americas

- The Summit of the Americas concluded on Friday with a joint declaration on migration. A moderate success despite lacking key signatures of El Salvador and Honduras.
- The agreement pledges hundreds of millions of dollars to integrate Venezuelan refugees throughout the region. The proposal also includes pledges from Canada, Mexico, Colombia, and the US to increase temporary work visas and formalise the status of migrants.
- Morning Consult: "Considering the discordant atmosphere surrounding the guest list, things could have gone much worse."

Korea

- The US State Department will have another busy week of diplomatic engagements with representatives from the Republic of Korea as the two countries continue to strengthen ties and seek a resolution to belligerence from Pyongyang.
- Secretary of State Antony Blinken hosts a working lunch with Republic of Korea Foreign Minister Park Jin at the State Department today. The lunch will be followed by a joint presser at 13:45 ET 18:45 BST.
- Deputy Secretary of State Wendy Sherman in Korea for the final two days of her nine-day visit to the region.
- Secretary of Defence Lloyd Austin held two meetings with his South Korean counterpart Lee Jong-Sup on the side-lines of the Shangri La Security Dialogue over the weekend. The first was a trilateral meeting with Japanese Minister of Defence Kishi Nobuo. The three ministers "discussed the Democratic People's Republic of Korea (DPRK), enhancing trilateral security cooperation, and addressing common security challenges in the Indo-Pacific region," according to the Pentagon.
- Austin then held a second meeting with Lee Jong-sup "to reaffirm the strength of the U.S.-ROK Alliance."

Iran

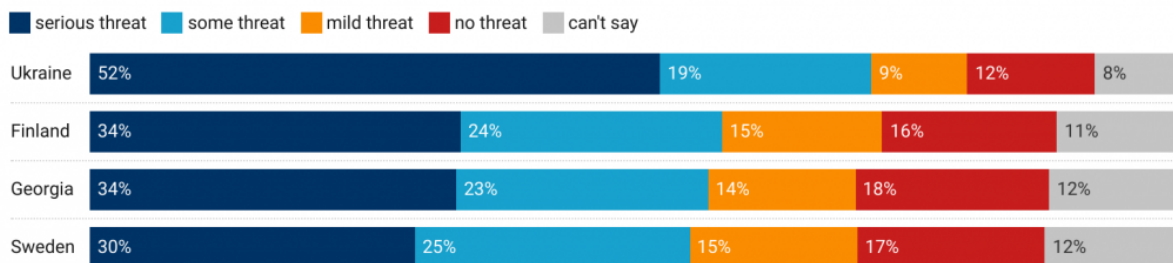
- According to a report from Morning Consult, the United States is developing an integrated air defence systems between Israel, Saudi Arabia, Qatar, Egypt and several other Arab states to counter the threat of an Iranian strike.
- Morning Consult: "The efforts have taken on renewed urgency now that Tehran seems poised to build a nuclear weapon on short notice (the so-called "sprint to the bomb" scenario.)"
- The risk of a nuclear standoff in the region has increased following the deterioration of relations between Iran and the nuclear watchdog, the International Atomic Energy

Agency and the Western allies involved in the Joint Comprehensive Plan of Action talks.

Poll of the Day

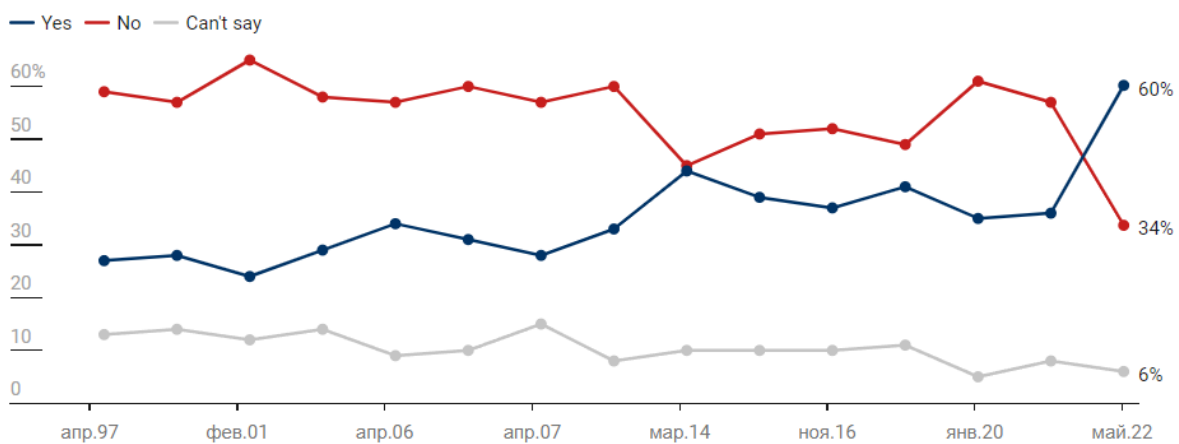
- The Moscow based, independent public opinion firm, Levada Center has released a wide-ranging report on Russian perceptions on the war in Ukraine and NATO.
- Levada Center: “Most Russians have a negative attitude towards NATO. The prevailing opinion is that new countries joining NATO poses a threat to Russia. About half of the respondents admit that the conflict in Ukraine may escalate into a clash between Russia and the North Atlantic Alliance. A third of respondents admit that in the event of a conflict with the West, Vladimir Putin may give the order to use nuclear weapons first.”
- Read the full report here: <https://www.levada.ru/en/2022/06/10/russia-and-nato/>

Chart 1: The threat to Russia of neighbours joining NATO



Source: Levada Center

Chart 2: Should Russia fear Western countries that are part of NATO?



Source: Levada Center

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