

MNI POLITICAL RISK ANALYSIS – US Daily Brief 22-07-22

By Adam Burrowes

The White House

10:30 ET 15:30 BST	The President receives his Daily Brief
15:00 ET 20:00 BST	Press Briefing by Press Secretary Karine Jean-Pierre and COVID-19 Coordinator Dr Ashish Jha

Elections Countdown:

- ❖ 2022 Midterm Elections: 109 days
- ❖ 2024 Presidential Election: 837 days

President Biden

- President Biden yesterday tested positive for COVID-19 for the first time.
- Per the White House: "This morning, President Biden tested positive for COVID-19. He is fully vaccinated and twice boosted and experiencing very mild symptoms. He has begun taking Paxlovid."
- "Consistent with White House protocol for positive COVID cases, which goes above and beyond CDC guidance, he will continue to work in isolation until he tests negative. Once he tests negative, he will return to in-person work."
- The White House released regular updates throughout the day on the President's condition. According to the White House, Biden is "doing great" and "keeping busy."
- Biden's POTUS twitter account tweeted: "Folks, I'm doing great. Thanks for your concern. Just called Senator Casey (D-PA), Congressman Cartwright, and Mayor Cignetti (and my Scranton cousins!) to send my regrets for missing our event today."
- After that phone call, Casey reported that Biden "sounded great" and was "in good spirits."
- Politico: "At 79, Biden's age is a risk factor. But other than that, he has no serious risk factors, such as diabetes, based on publicly available health information. Yes, he fell off his bike recently. But really, how many 79-year-olds even get on a bike, let alone get on, fall off and get right back on again?"

Ukraine

- The US State Department has welcomed a deal between Turkey, Ukraine, Russia, and the United Nations on grain corridors which is expected to be signed today.
- State Department Spokesperson Ned Price said: “We applaud the hard work of the UN secretary-general. We applaud the diligent work of our Turkish allies. This is something that not only the United States has called for – in fact, Secretary [of State Antony] Blinken called for it most recently in the context of the G20 ministerial in Bali earlier this month...”
- Price continued: “The fact is that, to date, Russia has weaponized food during this conflict. They have destroyed agricultural facilities. They prevented millions of tons of Ukrainian grain from getting to those who need it... So, what we’ll be looking forward to and holding Russia accountable to is the implementation and grain, most importantly, leaving Ukrainian ports.”

Congressional Business

The House is out

The Senate is out

Committee Schedule –**January 6 Probe**

- The January 6 Committee yesterday conducted its final hearing of the scheduled summer run. It is likely that the committee will return in September for additional hearings as witnesses come forward.
- The committee sought to portray former President Donald Trump as indifferent to the attack on the Capitol and reluctant to concede electoral defeat.
- The Hill: “Yet in perhaps the most powerful moment of the hearing, outtakes from Trump’s speech on Jan. 7 were shown. Trump still couldn’t bring himself to say he’d lost while the country reeled from the previous day’s events. It reportedly took an hour to film what ended up being a three-minute video.
- “I don’t want to say the election is over,” Trump is shown saying to a group of aides that included his daughter, Ivanka Trump. “I just want to say that Congress has certified the results without saying the election’s over, ok?”
- Rep. Adam Kinzinger (R-IL): “Whatever your politics, whatever you think about the outcome of the election, we as Americans must all agree on this – Donald Trump’s conduct on Jan. 6 was a supreme violation of his oath of office and a complete

dereliction of his duty to our nation. It is a stain on our history. It is a dishonor to all those that have sacrificed and died in service of our democracy.”

Midterms

- The Democrat candidate for the crucial Pennsylvania Senate race, John Fetterman is slowly re-entering the campaign trail after being side-lined for two months by a stroke.
- Fetterman said this week that he’s “90 percent better and campaigning.” Fetterman currently has a slim advantage in the polls over his opponent, the Trump endorsed Dr. Mehmet Oz.

Republican News

- Axios has reported that Former President Trump's “top allies” are well advanced in plans “to radically reshape the federal government if he is re-elected.”
- According to Axios, the group wants “to purge potentially thousands of civil servants, and fill career posts with loyalists to him and his ‘America First’ ideology.”
- Potential targets of a Trump shakeup of the federal government are the Justice Department, the FBI, the State Department, and the Pentagon.

USICA/CHIPS/CHIPS Plus

- Commerce Secretary Gina Raimondo told the Aspen Security Forum in Colorado that the US cannot continue to rely on Taiwan for semiconductors and Congress must pass legislation to support the domestic production of high-end computer chips.
- Raimondo: “Our dependence on Taiwan for chips is untenable and unsafe.”
- According to Punchbowl News this is the most likely timeline for passage of CHIPS-Plus: “The Senate comes in on Monday and has to vote to end debate on the CHIPS-Plus bill. That package will probably move to final passage on Tuesday or Wednesday, depending how cooperative opponents to the \$280 billion package are feeling.”

Colombia

- White House Deputy National Security Advisor Jon Finer is at the head of a White House delegation which travelled to Colombia yesterday for two days of talks with outgoing President Ivan Duque, President-Elect Gustavo Petro, and Vice President-Elect Francia Marquez.
- The White House says discussions will focus on climate change, peace implementation, combating criminal groups, and “advancing equitable and sustainable economic growth for both our countries.”
- The delegation said ahead of the trip that they intend “to put an end to any speculation that they were not going to work closely with [Petro's] government. Colombia is a fundamental and critical ally for the United States.”
- A US official preview of the trip, per Reuters: The trip “could be a test for what has long been one of the closest U.S. partnerships in Latin America,” and the delegation plans

"to listen and to understand the contours and the nuances" of Petro's plans for Colombia.

- The meetings are expected to broach Petro's stated intention to normalise relations with the Venezuelan regime of Nicolás Maduro as there are concerns in Washington that such a move would undermine US sanctions.
- The delegation may also discuss the 2012 trade accord but said to reporters that "conversations relating to the US-Colombia trade promotion agreement will be led by the U.S. Trade Representative."

Mexico

- Mexico President Andrés Manuel López Obrador refused to back down in a trade dispute with the US and Canada after Washington accused Mexico of failing to meet U.S.-Mexico-Canada Agreement (USMCA) obligations by favouring state run energy companies.
- US Trade Rep Katherine Tai said "Mexico's policies have largely cut off US and other investment in the country's clean energy infrastructure."
- AMLO said yesterday: "Mexico's control over its oil is not going to be up for negotiation."
- AMLO also reportedly claimed that moves to nationalise elements of the Mexican energy sector are not in violation with USMCA.
- FT: "Mexico president Andrés Manuel López Obrador made light of the US's complaint at his morning press conference by saying "nothing is going to happen.""
- If the complaint is unresolved then Mexico could face "retaliatory tariffs," according to former Mexican ambassador to the US, Arturo Sarukhán.
- Reuters claims the dispute settlement request from the US is "the most serious trade fight between Washington and Mexico City since the U.S.-Mexico-Canada Agreement on trade took effect two years ago. If unresolved, it could ultimately lead to punitive U.S. tariffs."
- According to Bloomberg, those tariffs could range from USD\$10 billion up to USD\$30 billion.

NATO

- The Senate is expected to easily pass a vote on Sweden and Finland's request to join NATO next week.
- The overwhelming majority of senators support the measure and there are unlikely to be more than four or five 'noes.'

Iran

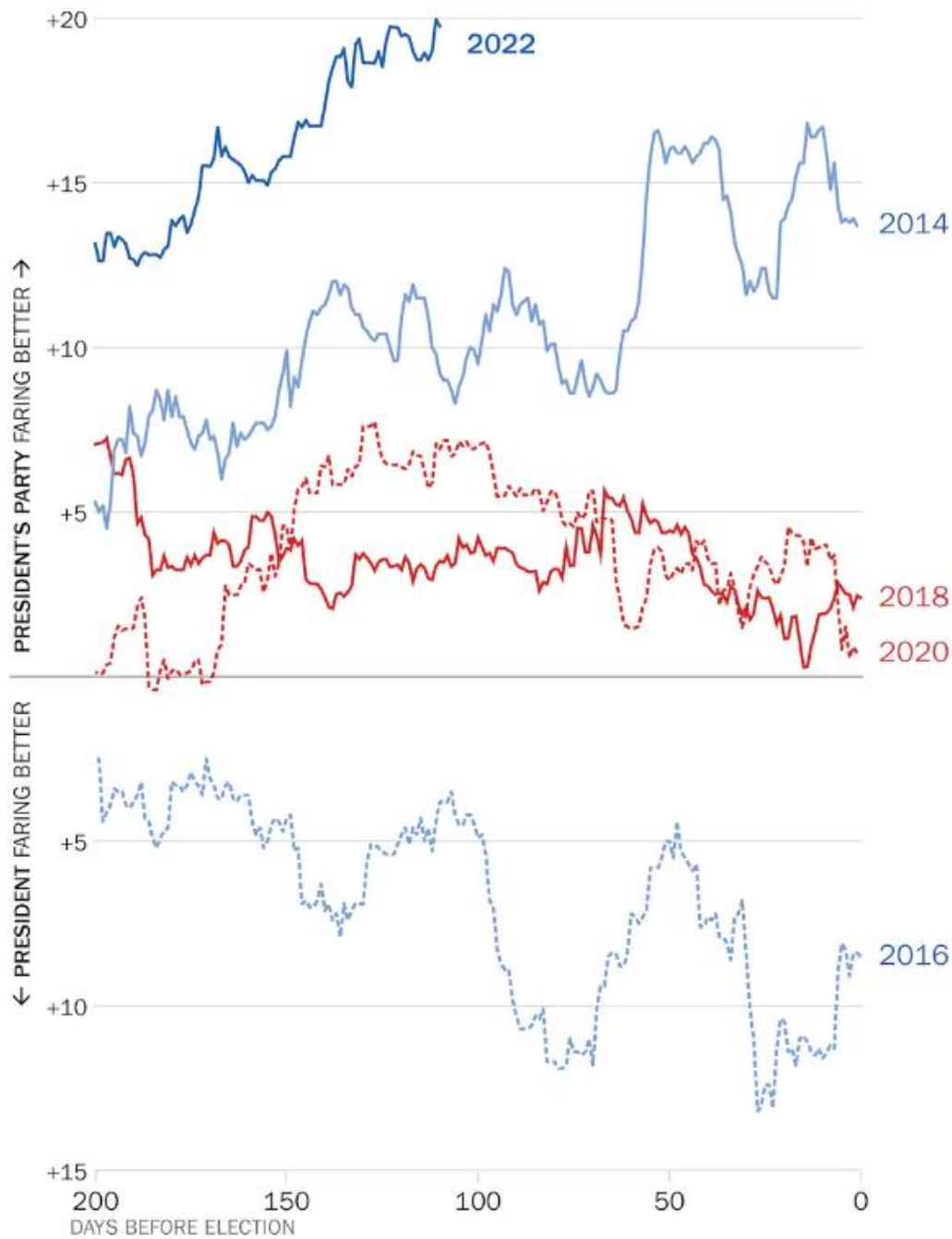
- The State Department has reacted sceptically to an Iranian statement suggesting that Tehran is willing to return to the nuclear negotiating table, suggesting that Iran has a track record of obfuscating talks.

- State Department Spokesperson Ned Price: “The short summary of the Iranian statement to us, unfortunately, sounds like more of the same. Rather than put this in the context of going back to Doha, let me say that the United States and our partners within the P5+1 are committed to the course of a mutual return to compliance with the JCPOA, but the key adjective there is “mutual.” To date, we have not seen any indication that Iran is ready or willing at this stage to return to the JCPOA.”

Poll of the Day

- The Washington Post has published an interesting examination on the divergence between Presidential approval and congressional polling. Currently, the Democrats are faring around 20% better than President Biden.
- WaPo: “Last week, I wrote about the unusual divergence between President Biden’s net approval rating (bad!) and the Democratic Party’s position in congressional polling (not that bad!)”
- The polling dilemma is that these are two historically useful indicators in election outcomes, but they appear to be in conflict.
- WaPo: “The congressional ballot numbers suggest Democrats will probably lose the House, but not by a wide margin. Biden’s approval, though, suggests that Republicans might as well start electing a new House speaker right now. Which of those scenarios will actually unfold? Meaning, which is more important: the generic ballot question, or Biden’s low approval?”

Chart 1: Presidential approval vs generic ballot



Source: Washington Post, RealClearPolitics, FiveThirtyEight

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