

MNI POLITICAL RISK ANALYSIS - US Daily Brief 30-09-22

By Adam Burrowes

The White House

09:00 ET 14:00 BST	President Biden receives his Daily Briefing
11:30 ET 16:30 BST	The President delivers remarks on the ongoing federal response efforts for Hurricane Ian
14:45 ET 19:45 BST	Press Briefing by Press Secretary Karine Jean-Pierre

Elections Countdown:

- ❖ 2022 midterm elections: 38 days
- ❖ 2024 presidential election: 766 days

Government Funding

The United States Senate voted, 72-25, yesterday to pass a Continuing Resolution (CR) to keep the government funded until December 16.

- The short-term funding measure now heads to the House today where it is expected to pass without issue in a vote at approximately 14:00 ET 19:00 BST.
- Majority Leader Charles Schumer (D-NY) said ahead of the vote: “This legislation avoids a very bad thing — shutting down the government — and does a lot of good things: money for the people of Ukraine, funding for communities reeling from natural disasters, aid to families with their heating bills, just to name a few.”
- The mid-December extension date will give Democrats a chance to pass a FY23 budget during the “lame-duck” session of Congress - after the midterms and before the new Congressional session begins in January.
- The CR includes USD\$12 billion in additional aid for Ukraine, disaster aid for New Mexico and other states, and a five-year reauthorization of FDA user fees.
- It does not include Senator Joe Manchin’s (D-WV) energy permitting reform, COVID-19 or Monkeypox funding, or funds to replenish the Strategic Petroleum Reserve. Significant concessions to the GOP to facilitate a deal.
- Upon completion of the House vote Congress will wrap up and head home until after the general election on November 8.

Hurricane Ian

With Hurricane Ian set to continue causing havoc in Florida over the weekend, observers are watching to see how presidential hopeful, Governor Ron DeSantis (R-FL), operates in an emergency.

- The Hill: “It’s a high-risk, high-reward situation for DeSantis as Floridians look to the governor for expertise and guidance. If he’s able to limit as much of the damage that’s within his control and can put politics aside to work with Democrats, including President Biden, he’s likely to be rewarded for that in November. But any suggestion of the opposite or any fumbles in the state’s response could jeopardize his political standing as a gubernatorial or possible presidential candidate.”
- DeSantis raised his national profile by railing against the COVID-19 restrictions of the Biden administration but during Hurricane Ian, Biden and DeSantis have set aside their differences and publicly collaborated for the first time.
- Stewart Verdery of the Department of Homeland Security during the administration of George W Bush said: “Voters expect politicians of all stripes to put down their swords when a disaster strikes, and it’s always advantageous to be able to cite one high-profile bipartisan action when challenged about your bipartisan bona fides.”

Congressional Business

The House will meet at 09:00 ET 14:00 BST

The Senate will meet at 10:00 ET 15:00 BST

Committee Schedule -

Russia

Senators Richard Blumenthal (D-CN) And Lindsey Graham (R-SC) have unveiled legislation that could strip military and economic aid from countries who recognise Ukrainian territories annexed by Russia. The bill would also apply pressure on the Biden administration to punish Russia for annexations.

- Graham: “We are dealing with Hurricane Putin, for the lack of a better word,” told reporters. “He’s trying to rewrite the map of Europe. He’s trying to do by force of arms what he can’t do by process.”
- Blumenthal: “It is a land grab. It’s a steal. And it is another craven brazen tactic by Vladimir Putin to test the West’s support for Ukraine, and we are having none of it.”
- The bill could be attached to the annual defence bill coming before Congress shortly.

Secretary of State Antony Blinken confirmed yesterday that Russian annexations will not affect US strategy regarding Ukraine: “The United States and our allies and partners will continue to assist Ukraine in its fight to defend its territory against Russian aggression. We wholeheartedly

support Ukraine's unity, sovereignty, independence, and territorial integrity within its internationally recognized borders. As President Biden has said, we will never recognize these areas as part of any country other than Ukraine, and we will support Ukraine for as long as it takes."

- State Department Spokesperson Ned Price told reporters that a new package of measures against Ukraine will be disclosed in the coming days.
- Jeffrey Edmonds, Russia advisor to Obama, said that Putin hopes that annexation would create "...a similar situation to Crimea. No one agrees with it, but no one is going to do anything about it either. That would give him a revised victory — or enough of one — because he would have hobbled Ukraine."
- Edmonds told Politico that he believes the most likely scenario is that, "Russia settles in for a long-term fight. The Russian government and people are now forced to be all in. If [Putin] couldn't lose before, he certainly can't lose now."

Iran

The US State Department yesterday announced new sanctions on the Iran oil industry. Sanctions will target entities based in China, Hong Kong, Iran, India, and the United Arab Emirates for facilitating the trade of Iranian oil.

- The new raft of sanctions are likely in response to drone and artillery strikes this week on Kurdish targets in Iraq, conducted by the Iranian Revolutionary Guards Corps.
- Sanctions are also likely part of a broader package of measures intended to put pressure on the administration of hard-line Iranian President Ebrahim Raisi to moderate its response to protests which have broken out across the country following the death of Mahsa Amini while in custody of the Iranian "morality police."
- Senators Chris Coons (D-DE) And James Lankford (R-OK) intend to apply additional legislative pressure on Iran by introducing a resolution condemning the country for the death of Amini and calling on Iran to end its "systemic persecution" of women.

Nord Stream Gas Leaks

NATO released a statement yesterday agreeing with European leaders that the leaks in Nord Stream 1 and Nord Stream 2 were the result of deliberate sabotage but stopped short of attributing blame for the attack.

- NATO: "All currently available information indicates that this is the result of deliberate, reckless, and irresponsible acts of sabotage. Any deliberate attack against Allies' critical infrastructure would be met with a united and determined response."
- There have been some suggestions that an attack on the gas pipelines, within NATO member Denmark's territorial waters, could trigger an Article 5 response from the military alliance but such a response would be premature at this stage.

- A Danish source said: “Russian ships routinely operate in the area, according to one Danish military official, who emphasized that the presence of the ships doesn’t necessarily indicate that Russia caused the damage. We see them every week. Russian activities in the Baltic Sea have increased in recent years. They’re quite often testing our awareness — both at sea and in the air.”

Pacific Partnership Strategy

The White House released its Pacific Partnership Strategy yesterday during a summit of Pacific Island countries hosted by President Joe Biden.

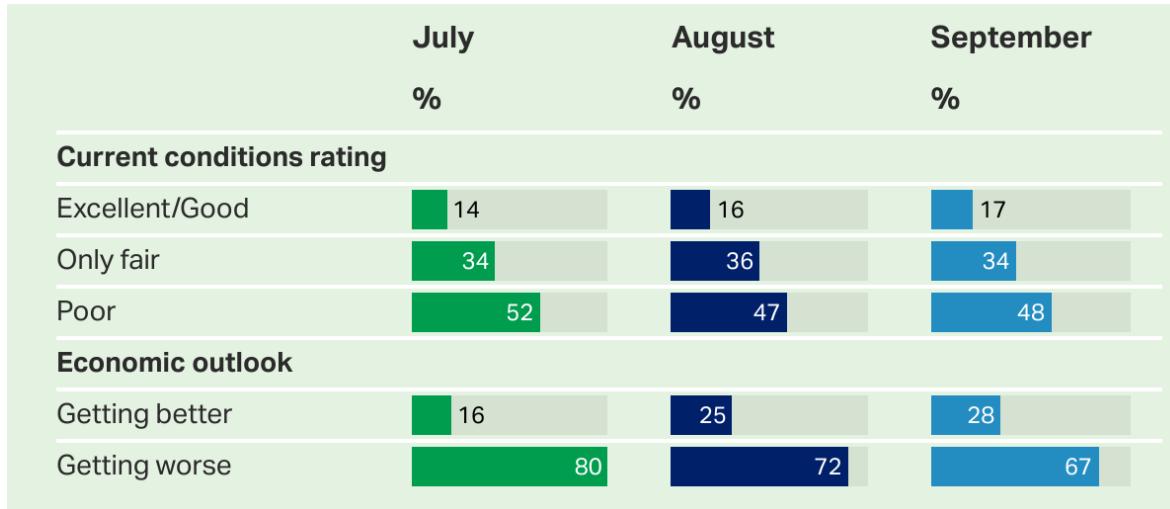
- According to fact sheet, the US will bolster its diplomatic presence in the region, assist with climate change, boost maritime security, and assist with connectivity upgrades.
- The strategy is designed to signal to Pacific Island countries that the US is a reliable partner and offset the increasingly influence of China in the region.
- There were concerns ahead of the summit that the Marshall Islands and the Solomon Islands may refuse signing onto a joint declaration, but both decided to acquiesce in the end.

Poll of the Day

According to a new Gallup report, American's confidence in the economy improved in September but still remains negative.

- Gallup: “For Democrats, the worrisome implications of the Economic Confidence Index being -35 nationally are underscored by the breakout among partisan groups, in that political independents' score (-38) is closer to Republicans' (-68) than to Democrats' (+10). This suggests the economy could be a drag on Democrats' appeal to swing voters, although the economy may be competing with other issues as pivotal for independents this year.”
- “Democrats' score on the index has now crossed into positive territory for the first time since April, while independents' score mirrors the national average and Republicans' remains significantly lower.”

Chart 1: Americans' Ratings of US Economy in 2022



Source: Gallup

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