

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 03-03-23

By Adam Burrowes

### The White House

09:30 ET 14:30 GMT	President Biden receives his Presidential Daily Briefing
12:45 ET 17:45 GMT	Press Briefing by Press Secretary Karine Jean-Pierre
14:30 ET 19:30 GMT	The President holds a bilateral meeting with German Chancellor Olaf Scholz

### Elections Countdown:

- ❖ 2024 Presidential Election: 613 days

### EU

President Joe Biden will welcome German Chancellor Olaf Scholz to the White House today, the first of two high-profile European guests with European Commission President Ursula Von Der Leyen to on March 10.

- The meetings come as speculation increases that US officials are sounding out support amongst allies for broad sanctions on China, should Beijing decide to deliver lethal aid to Russia or aid Moscow in the evasion of sanctions.
- EU diplomats and officials told Politico they wanted to see proof for the claims advanced by US administration officials before they agree to follow suit. "We have not seen on our side, any concrete evidence of [Chinese plans to deliver arms] so far..."

A US official said Scholz and Biden "...wanted this to be a working-level meeting, wanted it to be very much a get down into the weeds, focused on the issues of Ukraine."

- Another official told Reuters: "The relationship is in a rock-solid place. Tomorrow's meeting will largely focus on what we are doing together next to support Ukraine - a sign of the good footing the relationship continues to be on."

Daniel Russel, former top US diplomat for East Asia under President Barack Obama, said: "US policymakers have a chronic concern that industrial European powerhouses like Germany will allow their commercial interests in China to temper their willingness to take tough positions on security and geopolitical issues."

- Russel continued: "The Biden administration will use the Scholz visit to try to shift Germany's balance in the direction of stronger pushback."
- Although Scholz's response to Russia was initially criticised by some allies as insufficiently robust, Berlin has since stepped up the supply of military aid, facilitated the transfer of battle tanks, and pledged to increase defence spending.

- Scholz said in a hawkish speech to the German parliament shortly before departing for the US: “My message to Beijing is clear: use your influence in Moscow to press for the withdrawal of Russian troops... Do not supply weapons to the aggressor Russia.”

White House National Security Council Spokesperson John Kirby told reporters yesterday: “We anticipate that the two leaders will also exchange views on the upcoming NATO Summit and other global issues like the challenges posed by the People's Republic of China.”

- On the prospect of measures which may be taken against China, Kirby said: “I just don't think it's helpful right now to hypothesize about what consequences might result. Secretary Blinken has talked about the fact that there would be ramifications, and I think that's probably better if we just leave it at that.”

Next week's meeting with Von Der Leyen will be the first between Biden and the European Commission President since she unveiled her "Green Deal Industrial Plan," the EU response to the Inflation Reduction Act, at Davos in January.

- Kirby said of Von der Leyen's visit: “We expect their discussion to cover a range of international security challenges, of course including support for Ukraine. They will also discuss U.S. and EU coordination to combat the climate crisis and clean tech, and take stock of the joint task force on Europe's energy security that they both established a year ago.”

### **Democrat News**

President Biden has confirmed that he won't veto a Republican bill to block changes to Washington DC's criminal code.

- Biden decision opens the door for Democrat lawmakers to vote in favour of a popular bill, which would overturn a DC law for the first time in over 30 years, and avoid accusations that they are soft on crime.
- Axios: “Senate Democrats' broad reluctance to discuss the new D.C. law — which reduces maximum penalties for some violent crimes — reflects how fraught the crime issue has become within the party, especially paired with the debate over D.C. statehood.”

Biden tweeted: “I support D.C. Statehood and home-rule — but I don't support some of the changes D.C. Council put forward over the Mayor's objections — such as lowering penalties for carjackings... If the Senate votes to overturn what D.C. Council did — I'll sign it.”

- Sen. Lindsey Graham (R-SC) told reporters yesterday: “It's smart politics. He was running into a buzzsaw. You don't want to get left of the D.C. mayor.”
- The bill will require at least two Democrat votes to pass the Senate. Senator Joe Manchin (D-WV) said on Monday he would support the bill and fellow centrist Democrats John Tester (R-MT) and Tim Kaine (D-VA) are undecided.

## **Congressional Business**

The House is out

The Senate is out

**Committee Schedule –**

## **Federal Reserve**

Senator Robert Menendez (D-NJ), chair of the Senate Foreign Relations Committee, has stepped up calls for President Biden to nominate a Latino to fill the vacant Federal Reserve Vice Chair seat of outgoing Lael Brainard.

- Bloomberg: "Biden spoke briefly with Menendez, according to the aide. Menendez told Biden he has put forward names of qualified Latino candidates but that his ultimate goal is for a Latino to be confirmed, regardless of whether it's someone he suggested or another person the White House is considering.... So far, none of the people that have emerged as top contenders are Latino."

## **Debt Limit**

Senator Joe Manchin (D-WV) said, in a speech on the Senate floor yesterday, that Democrats need to be more flexible in debt ceiling negotiations with Republicans.

- Manchin said: "My Democratic friends don't want to say a word about our out of control spending and are outright refusing to even talk to Republicans about reasonable and responsible reforms," but said some Republicans, "have recklessly threatened default, which is absolutely not on the table..."
- Manchin called on both parties to be more willing to compromise: "It's unacceptable that we run the single largest economic entity in the universe without a budget in place ... We need to put all of our ideas on the table."

Manchin's comments run counter to messaging from President Biden, who continues to maintain that the debt ceiling crisis is manufactured by "MAGA" House Republicans and any negotiations on government spending should be conducted separately to raising the debt ceiling.

- Biden told House Democrats on Wednesday: "So let's be real clear about one thing: There is no actual crisis here. This is entirely a crisis of [Republican] making, if it occurs."
- There is little prospect for meaningful progress in negotiations before the GOP releases their FY23 budget, expected to come around the time Biden releases his budget on March 9.

## **Republican News**

The House Ethics Committee has established a panel to investigate Rep George Santos (R-NY) for alleged misuse of campaign financing and various issues related to his conduct.

- The committee said in a statement that the panel will investigate whether Santos, “engaged in unlawful activity with respect to his 2022 congressional campaign; failed to properly disclose required information on statements filed with the House; violated federal conflict of interest laws in connection with his role in a firm providing fiduciary services; and/or engaged in sexual misconduct towards an individual seeking employment in his congressional office.”

## Iran

The US Special Envoy to Iran, Rob Malley, told a pro-Israel think tank yesterday that the US will “wait and see” the results of IAEA chief Rafael Grossi’s trip to Iran today before deciding “what actions are appropriate.”

- Malley: “The Director General is about to go to Iran. He’s not yet issued his report on Iran’s NPT compliance or non-compliance. Let’s wait for that and then we’ll see what actions are appropriate.”
- Malley continued: “And we’re in very close contact with the E3 and others around the globe who are concerned about Iran’s nuclear program, and we’ll decide at that point.”
- Malley: “Regardless of what we do, our concerns about Iran exist, and they’re not going away. Concerns about their lack of cooperation with the IAEA—there are still a number of outstanding questions that they have repeatedly refused to answer; the discovery of particles of uranium enriched at roughly 84%. We need some explanation as to that, and we’re... waiting for the IAEA’s...own assessment, and many other issues that the IAEA will raise with them.”

## China

White House National Security Council Spokesperson John Kirby told reporters yesterday that US intelligence continues to see “no indication” that China has made a decision to supply lethal aid to Russia but, “they haven’t taken it off the table.”

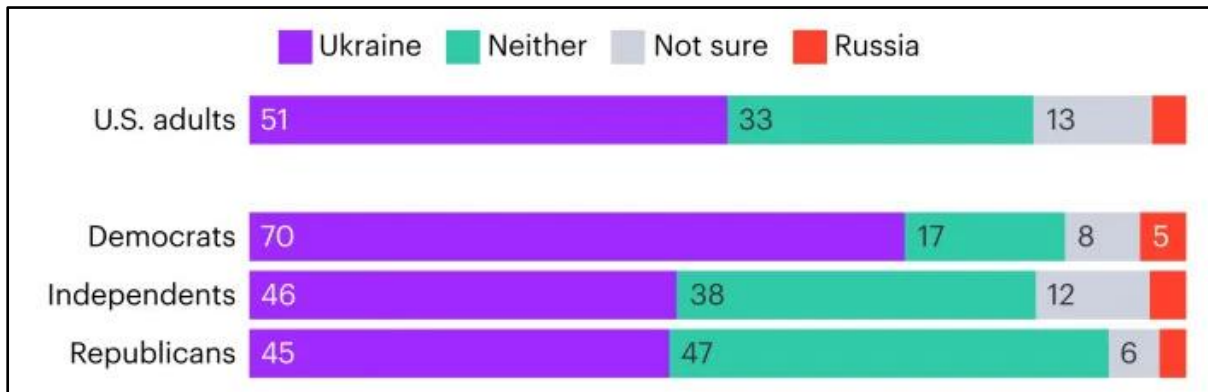
- Kirby revealed there are still no firm plans for a meeting or call between President Biden and Chinese President Xi Jinping, despite an assertion from Biden in the wake of the spy balloon incident last month that he would speak with Xi soon, “to the bottom of this.”
- Kirby said he is not aware of any formal outreach and there is “no call on the schedule.”

## Poll of the Day

A YouGov poll has found that nearly half of Republicans believe that the US should support neither Ukraine nor Russia.

- YouGov: “These findings suggest that the broad, bipartisan consensus that has so far defined the U.S. response to the war — that Russian President Vladimir Putin invaded Ukraine without just cause, and that America should do whatever it can to help the Ukrainians fight back — may be eroding ahead of next year’s presidential election.”

## Figure 1: Whose Side Should the US be Taking in the Conflict between Ukraine and Russia?



Source: Yahoo/YouGov

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