

MNI POLITICAL RISK ANALYSIS - US Daily Brief 29-01-24

By Adam Burrowes

The White House

11:00 ET 16:00 GMT	President Biden receives the Presidential Daily Briefing
13:30 ET 18:30 GMT	Press Briefing by Press Secretary Karine Jean-Pierre and NSC Coordinator for Strategic Communications John Kirby

Elections Countdown:

- ❖ South Carolina Primary: 26 days
- Government Funding Deadline 1: 32 days
- Government Funding Deadline 2: 39 days ([detailed explanation of funding deadlines](#))
- ❖ 2024 Presidential Election: 280 days

US-Mexico Border/National Security Supplemental

Senate negotiators plan to release the final text of their border security/national security supplemental package this week amid concerns that the months-long deal may already be dead. The border package will include a major overhaul of asylum policy, new powers to expel migrants, and enhanced funding for enforcement.

- Concerns raised last week by Senate Republicans that former President Donald Trump would torpedo the package due to the political necessity of maintaining the border as a campaign issue have failed to dissipate.
- House Speaker Mike Johnson (R-LA) now appears in firmly synch with Trump, stating on Friday that the border deal would be DOA in the House. This leaves few options for Senate Majority Leader Chuck Schumer (D-NY) and Senate Minority Leader Mitch McConnell (R-KY) beyond bringing the bill to the floor and hoping that its passage can apply enough pressure on Johnson for him to consider it.
- But the backroom horse-trading - and various contentious issues in the package - could alienate enough Democrats to tank the bill. Punchbowl notes: "There are also going to be a significant number of Democratic no votes on this package. Some Hispanic Democrats strongly dislike the immigration and border security policy changes. Progressive Democrats will oppose Israel funding."
- It is exceedingly difficult to see a pathway through Congress but, as always, there should be a caveat that legislation often finds a last-minute resolution. This dynamic is particularly relevant here as Ukraine funding is an acute priority for Democrats and many Republicans.

We are now in the unusual predicament that President Biden is strongly advocating for a border package which is far stricter than many progressive Democrats can stomach, in order to unlock his national security supplemental.

- Trump said at a rally in Nevada on Saturday: “As the leader of our party, there is zero chance I will support this horrible open borders betrayal of America... they’re blaming it on me. I say, that’s okay. Please blame it on me. Please. Because they were getting ready to pass a very bad bill. And I’ll tell you what, a bad bill — I’d rather have no bill than a bad bill.”
- Democrats argue that Republicans are obfuscating the deal in order to keep the border issue live ahead of general election. House Republicans counter that they are holding out in support of their own package (HR2) – a bill which is DOA in the Senate.
- Biden said in a [statement](#) on Friday: “Let’s be clear. What’s been negotiated would – if passed into law – be the toughest and fairest set of reforms to secure the border we’ve ever had in our country. It would give me, as President, a new emergency authority to shut down the border when it becomes overwhelmed. And if given that authority, I would use it the day I sign the bill into law.”
- Axios summarises: “Republicans know immigration alone could sink Biden. So Trump and House Republicans will kill anything, even if it meets or exceeds their wishes. Biden knows immigration alone could sink him. So he’s willing to accept what he once considered unacceptable — to save himself.”

Demonstrating the extent of the rancour, lead Republican negotiator Senator James Lankford (R-OK) was censured by his state’s GOP governing body for, “playing fast and loose with Democrats.” A remarkable development considering that Lankford is a conservative lawmaker in a deep red state.

- Lankford did a slate of interviews yesterday in an attempt to salvage the package. He told Fox News: “It is interesting, Republicans, four months ago, would not give funding for Ukraine, for Israel and for our southern border because we demanded changes in policy. So we actually locked arms together and said, ‘We’re not going to give money for this. We want a change in law.’”
- Lankford added, “it’s interesting ... when we’re finally getting to the end, [Republicans are] like, ‘Oh, just kidding, I actually don’t want a change in law because of presidential election year.’”
- He told CBS: “They’re all functioning off of internet rumors of what’s in the bill, and many of them are false. So people want to be able to just see it, read it, go through it, and to be able to see the dramatic change that this really makes and how we handle our immigration system and how we work to be able to secure our border completely.”
- Lead Democrat negotiator Senator Chris Murphy (D-CT) said yesterday: “I am hopeful that we will still have enough Republicans in the Senate who want to fix the problem at the border rather than just do Donald Trump’s bidding, but we will see over the next 24 to 48 hours whether that’s true.”

Congressional Business

The House will meet at 12:00 ET 17:00 GMT

The Senate is out

Committee Schedule –

FY2024

Politico [reports](#) that Congressional Appropriators have struck a deal on the allocation of USD\$1.7 billion of FY2024 spending, clearing a critical hurdle ahead of the two government funding deadlines in March.

- Politico: “The exact levels are being kept close-hold for now as cardinals and rankers move to hash out agency funding levels and work through policy riders — with the most sensitive issues sure to get kicked up to top leaders as the initial March 1 shutdown deadline approaches.”

Middle East

President Biden is facing one of the most challenging weeks of his presidency after an Iranian-backed militia - Islamic Resistance in Iraq - claimed responsibility for a drone strike on a US base in Jordan which killed three US service personnel and injured at least 34 others.

- The deaths were the first US fatalities from direct military action since Hamas' October 7 attack on Israel has prompted more than 150 separate attacks from Iranian proxies and brought the region to the brink of a major war.
- According to a White House [statement](#), Biden and Vice President Harris were briefed by on the Joran attack by the administration's national security team, including “National Security Advisor Jake Sullivan, Secretary Antony Blinken, Secretary Lloyd J. Austin III, Chairman CQ Brown, Director Avril Haines, Director Bill Burns, Ambassador Linda Thomas Greenfield, Principal Deputy National Security Advisor Jon Finer, and Chief of Staff Jeff Zients.”
- Biden released a [statement](#) pledging: “...have no doubt — we will hold all those responsible to account at a time and in a manner our choosing.”
- Speaking to reporters in South Carolina, Biden said: “...we shall respond.”

The precise nature of the response is likely to be calibrated over the coming days, with Biden under extraordinary pressure from foreign policy hawks to commit to some form of military action on Iran. Hawks argue that the Biden administration strategy to target strikes on the infrastructure of Iranian-backed militant groups in Iraq, Syria, and Yemen has failed to contain the conflict or deter Iran's clients.

- Foreign policy doves have cautioned that the response should be proportionate and avoid escalating the war into a direct military confrontation between the US and Iran.
- Senator Roger Wicker (R-MI), the ranking Republican on the Senate Armed Services Committee, said: “We must respond to these repeated attacks by Iran and its proxies

by striking directly against Iranian targets and its leadership. It is time to act swiftly and decisively for the whole world to see.”

- Mike Rogers (R-AL), chair of the House Armed Services Committee, said Biden’s “fear of escalation has morphed into a doctrine of appeasement.”
- Senate Minority Leader Mitch McConnell (R-KY) said, “The entire world now watches for signs that the president is finally prepared to exercise American strength to compel Iran to change its behavior. Our enemies are emboldened. And they will remain so until the United States imposes serious, crippling costs — not only on front-line terrorist proxies, but on their Iranian sponsors who wear American blood as a badge of honor.”
- Senator Lindsey Graham (R-SC) said: “The Biden administration can take out all the Iranian proxies they like, but it will not deter Iranian aggression. I am calling on the Biden administration to strike targets of significance inside Iran, not only as reprisal for the killing of our forces, but as deterrence against future aggression.”

The Biden administration believes that a negotiated ceasefire between Israel and Hamas is key to containing the conflict. Axios notes: “During a one-week pause last November, attacks on U.S. forces in the region stopped almost completely.”

- A US team led high-level talks in Paris yesterday designed to formalise a two-month ceasefire-hostage exchange framework. Israeli prime minister Benjamin Netanyahu’s office said yesterday that talks on the proposal were “constructive,” but cautioned that “significant gaps” remained.
- The New York Times reports that discussions will continue this week, signaling at least the potential for progress toward an agreement as the fighting nears its fourth month.

Tax

The roughly USD\$70 billion bipartisan tax deal which passed the House Ways and Means Committee in a 40-3 vote this month is threatening to spark another Republican intra-party conflict.

- Axios reports that Senior Republican members are accusing House Ways and Means Committee Chair Rep Jason Smith (R-MO), “of freezing them out” of the deal he negotiated with Senate Finance Committee Chair Ron Wyden (D-OR) and threatening to remove Smith from his post.
- Punchbowl reports that House Speaker Mike Johnson (R-LA), “hasn’t announced publicly or told key members of his leadership whether he’ll put the [bill] on the House floor this week.”
- Superficially, the bill should be a pretty straightforward one. It provides popular business tax breaks for Republicans and expands child tax credits for Democrats which both parties could claim a solid legislative win ahead the 2024 general election.
- However, as has been the case throughout this Congress, unwavering opposition from House conservatives over spending means that Johnson would have to consider the bill under suspension of rules – and pass the bill with Democrat support.

- The problem for Johnson is that the bill doesn't sufficiently meet demands from New York moderate Republicans on state and local tax deductions (SALT). Should Johnson bring the bill to the floor he risks losing the moderate bloc and again being seen as passing a Democrat bill.

Republican News

Former South Carolina Governor Nikki Haley appears committed to staying in the race for the Republican presidential nomination until Super Tuesday (March 5), despite the overwhelming odds against her.

- Haley told NBC: "I have every intention of going to Super Tuesday — through Super Tuesday. We're going to keep on going, and see where this gets us. That's what we know we're going to do right now. I take it one state at a time. I don't think too far ahead."
- Haley sidestepped a question asking if she needs to win the next race in her home state of South Carolina: "I think I need to do better than I did in New Hampshire. So this is a building situation... It's not about which state you get and which you don't."
- When pressed, she said: "Well, we've got 17 delegates — he's got 32. I'd say that's pretty good to start. What I do think I need to do is I need to show that I'm building momentum."
- Bookmakers see effectively no pathway for Haley to win the nomination. According to data from Smarkets, former President Donald Trump is given a 94% implied probability of winning the nomination.

Mayorkas Impeachment

House Republicans have released articles of impeachment against Homeland Security Secretary Alejandro Mayorkas — a central target of GOP attacks on the border crisis. Impeachments of cabinet secretaries are exceedingly rare: This is the first in over 150 years.

- Axios reports: "The House Homeland Security Committee will consider the impeachment articles Tuesday morning, and Speaker Johnson has promised a floor vote "as soon as possible" after that."
- Politico notes: "Expect House Democrats to play up the irony of the GOP trying to oust Mayorkas just as he strikes a bipartisan deal with Senate Republicans to address the border — and just as House Republicans give up on the deal entirely."
- The DHS said in a memo yesterday: "This markup is just more of the same political games from House Homeland Security Committee (CHS) Republicans. They don't want to fix the problem; they want to campaign on it."

Venezuela

The US State Department has issued a statement warning that the US is "reviewing" its sanctions policy on Venezuela following a series of alleged breaches of the electoral roadmap agreed at talks in Barbados last year.

- State: "The Venezuelan Supreme Court's January 26 decision to disqualify democratic opposition primary winner Maria Corina Machado is inconsistent with the

commitment by Nicolás Maduro's representatives to hold a competitive Venezuelan presidential election in 2024.

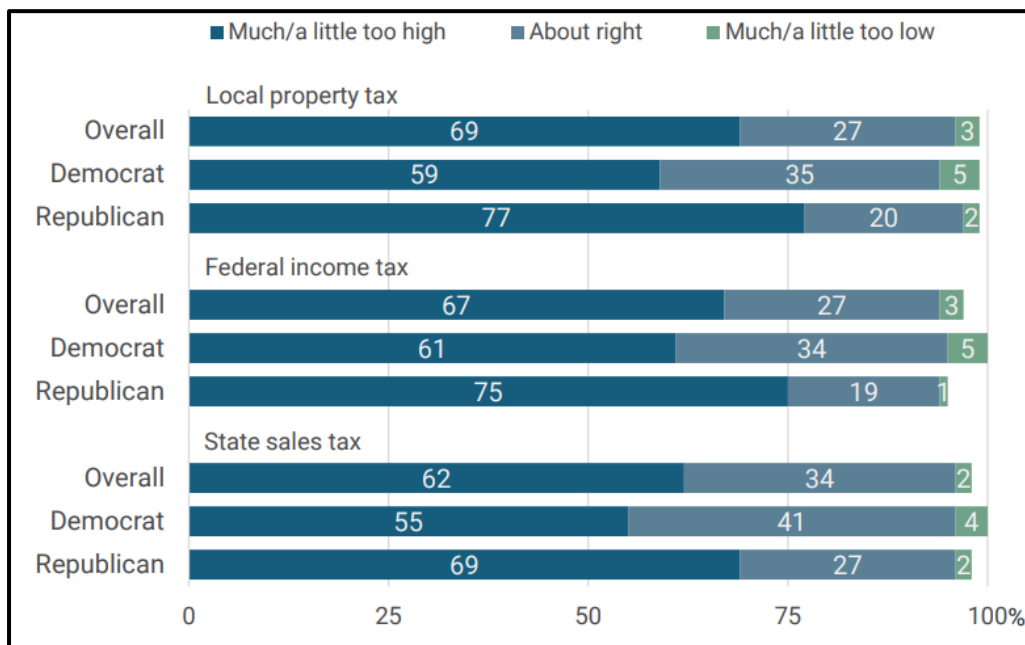
- "This deeply concerning decision runs contrary to the commitments made by Maduro and his representatives under the Barbados electoral roadmap agreement to allow all parties to select their candidates for the presidential election. The United States is currently reviewing our Venezuela sanctions policy, based on this development and the recent political targeting of democratic opposition candidates and civil society."
- The most significant upcoming deadline is April 18. If Maduro's government fails to sufficiently demonstrate improved electoral condition by then, the US is likely to return much of the previous sanctions regime.

Poll of the Day

A new survey from AP-NORC has found that, "about two-thirds of people consider their federal income tax (67%), state sales tax (62%), and local property tax (69%) to be too high."

- According to AP: "Most believe that middle income earners have the heaviest tax burden compared with those in higher or lower income groups."
- "Most adults say federal income tax (60%) and local property tax (59%) are unfair while about 4 in 10 say each tax is fair. Democrats are more likely than Republicans to see taxes as fair, and Republicans are more likely to say their taxes are too high."

Figure 1: Taxpayer Views on Various Taxes



Source: AP-NORC/Harris

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