

## MNI POLITICAL RISK ANALYSIS - US Daily Brief 31-01-24

By Adam Burrowes

### The White House

10:00 ET 15:00 GMT	President receives the Presidential Daily Briefing
13:00 ET 18:00 GMT	Press Briefing by Press Secretary Karine Jean-Pierre

### Elections Countdown:

- ❖ South Carolina Primary: 24 days
- Government Funding Deadline 1: 30 days
- Government Funding Deadline 2: 37 days ([detailed explanation of funding deadlines](#))
- ❖ 2024 Presidential Election: 278 days

### US-Mexico Border Security / Ukraine Supplemental

Remaining optimism for a border security package is evaporating in the face of robust opposition from House Speaker Mike Johnson (R-LA) and the Trump-aligned faction in Congress.

- Senate negotiators planned to release the final text of their border bill this week, with one prominent line of analysis suggesting that it would pass the Senate and then a lobbying campaign would tackle the more serious problem of passing the Ukraine-sceptic House.
- Now with Trump and Johnson lined up against the bill, it is unclear that Senate Republicans have sufficient political capital to pursue even a Senate vote. Politico notes: "After all, why invite attacks from Trump and the Republican base when Johnson himself says the yet-to-be-released bill is DOA in the House?"
- Senator Kevin Cramer (R-ND) openly expressed the sentiment: "Why would a bunch of us spend political capital on a cause that can't pass?"
- The Senate will depart this week for a two-week recess. If a final text isn't out by then, it will be exceedingly difficult to resuscitate the bill when focus turns to the essential work of passing FY2024 spending bills with two funding deadlines in early March.

On Ukraine aid, Sen. Cramer reports that Speaker Johnson told a group of Baltic speakers of parliament that aid for Ukraine and border policy, "would likely be split up," but "acknowledged that the path forward couldn't be certain until the text of a forthcoming border security deal is released."

- Semafor notes that, "Johnson spokesman Raj Shah downplayed the comments and said they were made in a hypothetical context," and a standalone package for Ukraine will face major opposition in the House.
- NATO Secretary General Jens Stoltenberg will deliver a speech today at the Heritage Foundation - a conservative think tank that's closely aligned with Trump. He will also meet Congressional leaders, including Johnson, on Capitol Hill and argue that supporting Ukraine is, "an investment in our own security."

### **Middle East**

The Middle East is awaiting the US response to the killing of three of its service personnel and the injuring of dozens of others in a drone strike at a Jordanian outpost on Sunday.

- Biden told reporters shortly before departing on a campaign trip yesterday: "I do hold them [Iran] responsible in the sense that they're supplying the weapons to the people who did it. I don't think we need a wider war in the Middle East. That's not what I'm looking for."
- White House National Security Council spokesperson John Kirby told reporters on Air Force One: "It's very possible that what you'll see is a tiered approach here, not just a single action but potentially multiple actions over a period of time,"

The Iraq-based, Iranian-linked Kataib Hezbollah that claimed responsibility for the strike, made a surprise announcement yesterday that it has suspended any further attacks on US targets in order "to prevent embarrassment of the Iraqi government."

- A direct strike on Iranian territory is seen as the least-likely US response given it risks major repercussions in the form of Iranian strikes on US targets, the potential for disruption in the Strait of Hormuz - a key oil transit point - and Iranian strikes on Israel.
- Much of the recent escalation from Iranian-linked groups has been claimed (by said groups) to be in response to Israel's war on Hamas in Gaza. With the prospect of a truce closer than at any point in months, the US may prove reticent to launch direct attacks on Iran, or even its proxies, if it could derail the prospect of a ceasefire in Gaza.

Houthi commander Mohamed al-Atifi said in a statement on Telegram yesterday that the Iran-backed group, which maintains de facto control over much of Yemen, is prepared for a "long-term confrontation" with the United States and the United Kingdom.

- al-Atifi said: "We are prepared for a long-term confrontation with the forces of tyranny. The Americans, the British, and those who coordinated with them must realize the power of the sovereign Yemeni decision and that there is no debate or dispute over it."
- The comments may challenge the prevailing wisdom that a formal ceasefire agreement between Hamas and Israel could lead to a subsequent decrease in attacks from Iran's regional proxies.

Republican presidential candidate, Nikki Haley, yesterday staked out a hawkish position on Iran, reflecting the views of Republican lawmakers who have called for direct military intervention against Tehran.

- Haley said on Fox News: "Biden lifted the sanctions, the worst thing he ever did. ... So we first need to get those sanctions back on Iran the way we should. China's giving them billions. We've got to stop that."
- On her preferred strategy, Haley said: "Take out those centers that are allowing those missiles to hit. Take out the drone areas in Iraq and Syria that's allowing for that to happen. We know where they are."
- Hit leaders, not Iran: "We don't need to go and hit Iran hard. You need to hit them smart. Take out a couple of the [Islamic Revolutionary Guard Corps] members making these decisions," adding later, "now's the time to hit their leaders. it's different. Don't go and bomb the country."

Bloomberg [reports](#) that, "Saudi Arabia has resumed talks with the US about forging closer defense ties after a pause following the start of the Israel-Hamas war..."

- According to Bloomberg: "Discussions took place in the town of Alula in northwestern Saudi Arabia between de-facto ruler Crown Prince Mohammed Bin Salman and US senators earlier this month... On the agenda was a revival of earlier negotiations about a defense pact that would also have included an historic tie-up between Saudi Arabia and Israel..."

## **Congressional Business**

The House will meet at 10:00 ET 15:00 GMT

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

### **Committee Schedule –**

- 10:00 ET 15:00 GMT: HOUSE Budget Meeting: Creating a Culture of Fiscal Responsibility: Assessing the Role of the Congressional Budget Office
- 10:00 ET 15:00 GMT: HOUSE Financial Services: Rules Without Analysis: Federal Banking Proposals Under the Biden Administration

## **Tax**

House Speaker Mike Johnson (R-LA) appears set to bring the roughly USD\$80 billion bipartisan and bicameral tax deal up for a vote today after overcoming a rebellion from moderate 'blue-state' Republicans.

- The group of mainly New York Republicans mirrored tactics regularly used by GOP conservatives by voting down the rule on legislation to protest concerns over the absence of State and Local Tax (SALT) relief in the bill – prompting a hectic period of shuttle diplomacy from the speaker.
- If Johnson presses ahead with a vote on the unamended package today, the bill is expected to pass the House with a strong bipartisan majority, but there is considerable uncertainty, and the episode has demonstrated Johnson's tenuous control over both flanks of his party.

House Republican Whip Tom Emmer (R-MN) told reporters that “there might be,” a way to incorporate a concession on SALT but as Politico points out: “...most Republicans abhor the idea of handing a costly break to mostly blue-state taxpayers — but if he doesn’t, he’s potentially compounding his governing challenges by alienating the centrist bloc.”

- Punchbowl News summarises how yesterday’s rebellion may contribute to instability in the coming weeks: “This week, it was relatively low stakes. Johnson’s effort on the tax bill was designed to assuage these New Yorkers, who many believe have been used and abused by the leadership. But during the next month, Johnson will have a far more herculean challenge: threading the needle in the conference on a government funding package that will be heavily skewed toward Democrats.”
- The contents of the bill, which is general seen as beneficial to both parties, is summarised [here](#).

### **Former President Donald Trump**

The Illinois election board voted unanimously to keep former President Donald Trump on the state’s primary ballot ahead of next week’s Supreme Court arguments on his eligibility to hold office.

- ABC News notes: “The body said it lacked the authority to decide on the challenge, which cited Trump’s push to overturn his 2020 election loss and accused him of inciting the Jan. 6 attack at the U.S. Capitol where Congress was gathered to certify Joe Biden as the next president.
- Trump attorney Adam Merrill said yesterday: “Trump did not engage in insurrection, as that term is used in the Constitution. It is a complicated legal term that has been rarely interpreted and it wasn’t even articulated correctly by the hearing officer in this case and, frankly, never should have reached it because of the lack of evidence, and because of the lack of jurisdiction.”

### **Mayorkas Impeachment**

The House Homeland Security Committee voted 18-15, along party lines, yesterday to advance the impeachment of DHS Secretary Alejandro Mayorkas following a 13-hour hearing.

- A full House vote on the impeachment is now expected next week with House Speaker Mike Johnson (R-LA) hoping to navigate his two-vote majority and push through a politicised impeachment which will certainly be thrown out by the Democrat-controlled Senate. Punchbowl News reports that there are currently only two Republicans who are “leaning no” on the vote, suggesting that the vote will likely pass.
- Republicans are gambling that the process will energise the GOP base as they enter a critical period in the leadup to November’s general election. Polling supports Republican assumptions that the border is a wedge issue which boosts the GOP, but there is risk in the plan.
- The Wall Street Journal published an [op-ed](#) yesterday arguing that, “impeaching Mayorkas achieves nothing,” and echoing the Democrat position that, “policy dispute doesn’t qualify as a high crime and misdemeanor.”



- The New York Times reports, that the “emerging consensus among legal scholars” is that there’s no impeachment-worthy evidence yet, but forcing an, “election-year trial in which Republicans will have the chance to air their indictment of Mr. Biden’s immigration policies.”
- In light of the ongoing bipartisan border security negotiations in the Senate, there is risk that Johnson’s impeachment gambit could be seen by Republican voters as obfuscating the prospect of conservative policy changes at the border.

### **Ukraine**

A new US-made longer-range bomb could arrive in Ukraine as soon as today, according to Politico sources.

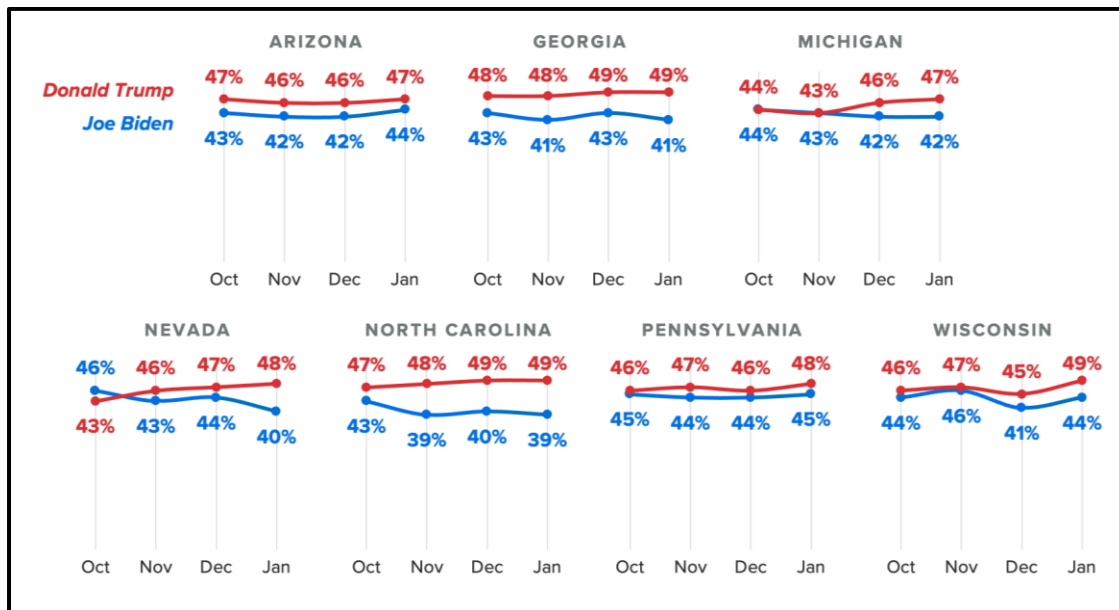
- Politico reports: “Ukraine will receive its first batch of Ground-Launched Small Diameter Bombs, a brand new long-range weapon made by Boeing that even the U.S. doesn’t have in its inventory, according to the four people, all of whom were granted anonymity to discuss matters ahead of an announcement.”
- The official said the bomb, which has a range of around 90 miles, “could be a significant capability for Ukraine,” adding that it, “gives them a deeper strike capability they haven’t had, it complements their long-range fire arsenal.”

### **Poll of the Day**

A new survey from Morning Consult has found that President Biden continues to poll unfavourably against former President Donald Trump in key swing states.

- Morning Consult: “Among swing-state voters, President Joe Biden’s standing against former President Donald Trump is worst in North Carolina, the more conservative-leaning state of the bunch. But Biden also continues to face notable deficits relative to Trump in Georgia, a state that was key to his 2020 victory, and in Nevada, which Republicans have been trying to flip for several cycles.”
- Notably, “Swing-state voters are more likely to blame Biden than other domestic political figures and their parties for the increase in migrant crossings. Across the seven states, 41% of voters blame the incumbent president and 35% blame Democrats on Capitol Hill, compared with 14% each who blame congressional Republicans or the Trump administration.”

### **Figure 1: 2024 Presidential Election Swing State Polling**



Source: Morning Consult

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