

This Week in Washington

January 13, 2012

DOMESTIC POLICY MATTERS

Congress is in pro forma session, with the House scheduled to reconvene fully on Tuesday, January 17th and the Senate on January 23rd. President Obama will give his **State of the Union Address** on January 24th. The Administration is expected to release the **President's Fiscal Year 2013 budget** on February 6th.

Debt Ceiling. After a short delay at the request of Congress, President Obama officially requested a \$1.2 trillion increase in the debt ceiling on Thursday. The House and Senate have 15 days to vote on the proposal. Under the terms of the Budget Control Act, the increase will occur unless both chambers reject it.

On Wednesday, the White House announced a new plan to encourage U.S. companies to **"insource" U.S. jobs**. The White House held an "Insourcing American Jobs" forum on Wednesday, where the Administration announced the U.S. economy has added 334,000 manufacturing jobs over the past two years. In the coming weeks, the President plans to put forward new ways to "encourage American companies to seize this opportunity to increase investment here at home and bring jobs back to America."

The **Department of Justice released a legal memorandum** on Thursday arguing that President Obama's four recess appointments last week were "consistent under the law" because the Senate's pro-forma sessions do not constitute a functioning body that can render advice and consent on the President's nominees.

On Friday, President Obama asked Congress for the power to **consolidate parts of the federal government**, in order to cut costs and improve efficiency. Most significantly, President Obama has proposed to consolidate six different agencies dealing with trade and commerce: the Small Business Administration; the Office of the U.S. Trade Representative; the Export-Import Bank; the Overseas Private Investment Corporation; the Trade and Development Agency; and most parts of the Department of Commerce. According to the White House, the proposal save \$3 billion over 10 years while eliminating more than 1,000 overlapping jobs, primarily through attrition.

WikiLeaks. On Thursday, the Army announced that an officer assigned to consider evidence that Army Pfc. Bradley Manning leaked thousands of secret U.S. documents to WikiLeaks has concluded that Pfc Manning should face a court martial. Manning allegedly gave more than 700,000 military reports and diplomatic cables to WikiLeaks for publication, the biggest leak of classified information in U.S. history.

Political News. On Monday, the White House announced the resignation of President Obama's Chief of Staff, William Daley. The President named Jacob Lew, Director of the Office of Management and Budget, as Daley's successor. On Tuesday, the White House announced the appointment of Cecilia Munoz, the current White House Director of Intergovernmental Affairs and Lead Liaison to the Hispanic Community, as the next Director of the Domestic Policy Council. On Wednesday, the House Ethics Committee voted not to conduct a full-scale investigation into sexual harassment allegations against Representative Alcee Hastings (D-Florida).

2012 U.S. Elections News. On Tuesday, former Massachusetts Governor Mitt Romney won the New Hampshire Republican Presidential primary with 39.3% of the vote, while Texas Congressman Ron Paul placed second with 22.9% and former Utah Governor Jon Huntsman placed third with 16.9%. Former House Speaker Newt Gingrich (R-Georgia) and former Pennsylvania Senator Rick Santorum garnered 9.4% of the vote each. The next primary contest will take place in South Carolina on January 21st. On Friday, a U.S. district judge in Richmond ruled against placing the names of Newt Gingrich, Rick Perry, Jon Huntsman and Rick Santorum on the ballot for the Virginia Republican primary March 6th. Only Mitt Romney and Ron Paul qualified to be listed. Also this week, three longtime House Republicans from California announced their plans retire at the end of 2012. Congressman Wally Herger will leave his solidly Republican Northern California seat, while Congressman Elton Gallegly and Congressman Jerry Lewis will vacate Southern California seats that are newly Democratic-leaning as a result of redistricting.

FOREIGN POLICY MATTERS

Iran. On Monday, the International Atomic Energy Agency (IAEA) confirmed Iran has reached 20 percent uranium enrichment, the level needed for producing weapons-grade materials, at the Fordow facility. Iranian President Mamoud Ahmadinejad travelled to Latin American countries this week, avowing Iran's nuclear programs are civilian in nature. Also Monday, a U.S. citizen and former Marine, Amir Mirzaei Hekmati, was

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sentenced to death by an Iranian court for allegedly being a CIA spy. The State Department strongly condemned the death sentence verdict and again asserted the charges against Hekmati are a fabrication. On Wednesday, an Iranian atomic scientist was killed in an apparent bombing, which caused President Ahmadinejad to allege the United States and Israel may have had a role in the death. The United States disavowed any involvement. This week, Secretary of the Treasury Timothy Geithner travelled to Japan and China to encourage both countries to cut off their dealings with the Central Bank of Iran. In response, Japan announced it will make further cuts to its oil imports from Iran. On Thursday, the State Department sanctioned three more foreign-based companies, based in China, Singapore, and the United Arab Emirates, under the *Amended Iran Sanctions Act*.

Syrian Conflict. Syrian President Bashar al-Assad made a rare public appearance and speech Wednesday, which the State Department later characterized as an attempt to deflect responsibility from the ongoing violence. Also Wednesday, the State Department acknowledged reports of increasing interference with Arab League monitors by the Syrian regime. While non-essential U.S. Embassy staff departed Damascus Thursday, U.S. Ambassador Robert Ford remained. Meanwhile, in New York City Tuesday, the U.N. Security Council met and held a session on Syria to, in the words of the State Department, “strengthen” the “weak” Russian draft statement currently on the table.

Burma Normalization Developments. On Thursday, the Burmese Government announced the signing of a cease fire agreement with the Karen National Union, which Secretary of State Hillary Clinton welcomed. On Friday, Burmese President Thein Sein announced the release of hundreds of political prisoners. President Obama “applauded” the release and acknowledged other recent positive developments, including the announcement of elections to be held on April 1st. Secretary Clinton later announced the Administration will begin consultations with Congress to restore full diplomatic relations with Burma, with the goal of eventually returning a U.S. Ambassador.

Other Middle East Developments. On Thursday, **Afghan President** Hamid Karzai condemned a video posted to the Internet allegedly showing U.S. soldiers desecrating Taliban corpses. Secretary of Defense Leon Panetta said any such acts were “deplorable” and would be investigated. On Tuesday, President Obama met with **Saudi Arabia’s Minister of Foreign Affairs**, Prince Saud Al-Faisal, discussing regional issues and affirming the strong U.S.-Saudi partnership. Wednesday, Vice President Biden and National Security Advisor Tom Donilon met with **Qatari Prime Minister** and Foreign Minister Sheikh Hamad bin Jassim Al-Thani to discuss bilateral and regional issues, including the ongoing violence in Syria. President Obama spoke with **Israeli Prime Minister** Benjamin Netanyahu Thursday about recent Iran-related developments, with President Obama reiterating U.S. commitment to Israel’s security. They also discussed the recent meetings between Israeli and Palestinian negotiators. Earlier this week, Deputy Secretary of State Bill Burns travelled to Ankara, meeting with **Turkish Foreign Minister** Ahmet Davutoğlu to discuss developments in Iraq, Iran, concerns about Syria, and supporting Egypt’s democratic transition. The Deputy Secretary travelled on to Cairo, where he sought assurances from the **Egyptian Government** to discontinue its crackdown on U.S.-funded democracy non-governmental organizations.

On Monday, the State Department welcomed the acquittal of **Malaysian** opposition leader Anwar Ibrahim on sodomy charges, saying “the ruling reflects favorably on the independence of Malaysia’s judiciary system.” The State Department expressed concern Tuesday about Boko Haram’s efforts to “create and exacerbate existing tensions between Christians and Muslims” in **Nigeria**. Additionally, the State Department also acknowledged ongoing strikes and violence in Nigeria, urging Nigerian security forces to respect the citizen’s right to peacefully protest. Secretary Clinton met Tuesday with **Norwegian Foreign Minister** Jonas Gahr and separately with **Saudi Foreign Minister** Prince Saud al Faisal. On Wednesday, the Secretary swore-in Michael McFaul as U.S. Ambassador to **Russia**. She also held a bilateral meeting with **Qatari Prime Minister** and Foreign Minister Sheikh Hamad bin Jassim bin Jabor Al Thani and later met with **Pakistani Ambassador-designate** Sherry Rehman. Secretary Clinton met Thursday with **Algerian Foreign Minister** Mourad Medlci, discussing bilateral issues, Syria, and Algeria’s upcoming elections. On Friday, the State Department announced **next week the Secretary will travel** to Liberia, Côte d’Ivoire, Togo and Cape Verde.

Also Friday, **Standard and Poor’s** (S&P) announced Europe has “not produced a breakthrough of sufficient size and scope to fully address the eurozone’s financial problems,” cutting the credit standing of nine major European nations, including France and Austria, but maintaining Germany’s AAA rating. Thursday, the Pentagon signaled the United States Army will **withdraw two brigades** from European bases over the next decade.