

This Week in Washington

March 23, 2012

DOMESTIC POLICY MATTERS

Budget. Tuesday, House Budget Committee Chair Paul Ryan (R-Wisconsin) released a draft Fiscal Year (FY) 2013 Budget Resolution. If enacted, Chairman Ryan's proposal would set the FY 2013 discretionary spending limit at \$1.028 trillion, which is \$19 billion less than the cap of \$1.047 trillion established in the Budget Control Act. In addition to reducing spending by \$5.3 trillion and lowering taxes by \$2 trillion over ten years, the plan offers an alternative to the first round of almost \$110 billion in automatic sequestration cuts set to take effect next January. The Budget Committee passed the proposal (19-18) Wednesday, with two Republicans joining all Committee Democrats in voting no, sending it on to the full House for expected passage next week. Senate Budget Committee Chair Kent Conrad (D-North Dakota) and Senate Appropriations Committee Chair Daniel Inouye (D-Hawaii) sent a letter to House Republican leaders suggesting that departing from the top-line spending figure set in the Budget Control Act amounts to a "breach of faith." House Foreign Affairs Committee Ranking Member Howard Berman (D-CA) alleged "the Ryan budget fails to recognize that diplomacy and development are essential to protecting our national security...." House and Senate Democrats also expressed opposition to the proposal's extensive tax cuts, alterations to Medicare, and cuts to Medicaid, "food stamps," and Pell Grants.

After an unsuccessful effort to attach the reauthorization of the **Export-Import Bank** as an amendment, the Senate approved (83-26) a modified version of the House-passed **JOBS Act** Thursday, sending the bill back to the House for approval. Senate Majority Leader Harry Reid (D-Nevada) filed cloture Tuesday on the **Stop Trading on Congressional Knowledge (STOCK) Act**, setting up Thursday's 96-3 vote in favor of the legislation, which will now move to President Barack Obama for his expected signature. With the current **transportation authorization** programs set to expire March 31st, House Republicans announced Wednesday they will bring to the floor next week a three-month extension of highway and transit programs. This week marked the second anniversary of the **health care reform law** passed by Congress in 2010. The Supreme Court is preparing to hear oral arguments on its constitutionality next Tuesday; while the House continues to attempt to peel back provisions of the law, voting 223-181 Thursday to abolish the Independent Payment Advisory Board, which has authority to make changes to the Medicare program. Senate Homeland Security and Governmental Affairs Committee Chair Joe Lieberman (I-Connecticut) said Tuesday that he and Senator John McCain (R-Arizona) are discussing ways to merge their **cybersecurity bills**. Meanwhile, House Armed Services Subcommittee on Emerging Threats and Capabilities Chair Mac Thornberry (R-Texas) said Tuesday the House is preparing to go to the floor with various cybersecurity measures next month. On Thursday, a bipartisan group of Senators introduced legislation to delay a July ban on proprietary trading by banks; known as the "**Volcker Rule**," the provision in the *Dodd-Frank Wall Street Reform and Consumer Protection Act* is strongly opposed by the banking industry. During a stop in Oklahoma Wednesday, President Obama urged federal agencies to expedite permitting for the portion of the **Keystone XL pipeline** between Oklahoma and the Gulf Coast. The Treasury Department announced Thursday insurance company **AIG has repaid** taxpayers an additional \$1.5 billion for funds allocated from the Troubled Asset Relief Program. Also Thursday, Senate Minority Leader Mitch McConnell (R-Kentucky) joined opposition to the Labor Department's proposed safety rules for **children working in the agriculture sector**, signing on as a co-sponsor of legislation filed a day earlier by Senator Jerry Moran (R-Kansas) to block the Department from finalizing the rules. U.S. Attorney General Eric Holder approved new guidelines Thursday to allow the **National Counterterrorism Center** to retain information about U.S. residents for up to five years.

Political News. This week, former Massachusetts Governor Mitt Romney won the Republican presidential primaries in Puerto Rico and Illinois. Illinois second-place finisher Rick Santorum vowed to continue on to Saturday's Louisiana primary, which the former Pennsylvania Senator is favored to win. Illinois voters also delivered primary wins for Representative Jesse Jackson Jr. (D) and Representative Adam Kinzinger (R), who defeated Representative Don Manzullo in a race that pitted House Majority Leader Eric Cantor (R-Virginia) – who supported Kinzinger – against several conservative groups supporting Manzullo. On Monday, a federal court in Brooklyn issued a final U.S. House redistricting plan for New York, which eliminates the seats of departing Congressmen Maurice Hinchey (D) and Bob Turner (R) and ensures competitive districts for Representatives Kathy Hochul (D), Chris Gibson (R), and other delegation members.

FOREIGN POLICY MATTERS.

Syrian Conflict. On Friday, under increasing pressure, the E.U. added 12 Syrians to its list of sanctioned individuals, including the wife and mother of Syrian President Bashar al-Assad. This week, Russia and China

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joined a U.N. Security Council presidential statement endorsing U.N.-Arab League Special Envoy Kofi Annan's ceasefire plan for Syria, which does not dictate terms for President Assad's removal from office. President Obama departs this weekend for Seoul to attend the second biannual Nuclear Security Summit, where he is expected to hold bilateral meetings with Chinese President Hu Jintao and Russian President Dmitry Medvedev, with the Syrian crisis reportedly on the agenda, along with North Korea. The U.S. Government continues to pressure the Iraqi government to halt Iranian cargo overflights to Syria, which the Administration believes the flights carry massive and illegal shipments of arms to aid the Assad regime. With the Syrian rebels reportedly running low on ammunition and other supplies, Turkey will host the next Friends of Syria meeting on April 1st.

Iran. On Tuesday, in accordance with the 2011 National Defense Authorization Act, Secretary Clinton announced an initial group of 11 countries have significantly reduced their volume of crude oil purchases from Iran. These countries include Belgium, the Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Spain, the United Kingdom, and Japan. Meanwhile, senior U.S. intelligence sources suggested this week that Israel is more likely than not to bomb Iranian nuclear facilities in the coming months, barring an intervening diplomatic breakthrough.

Senate Appropriations State and Foreign Operations Subcommittee Chair Patrick Leahy (D-Vermont) issued a statement Thursday saying he is "disappointed" by the Administration's impending decision to unfreeze more than \$1.5 billion in foreign assistance appropriated for **Egypt**.

House Armed Services Committee Chair Buck McKeon (R-California) opened a hearing Tuesday questioning President Obama's military strategy in **Afghanistan**, with senior military officials assuring the United States is not rushing to leave the region. In the Senate, testifying before the Armed Services Committee Thursday, Marine Corps General John Allen fielded questions about the military mission, saying U.S.-Afghan negotiations about night raids are ongoing and that the scheduled 68,000 U.S. troops to remain for 2013 are "a good going-in number". Senator John Webb (D-Virginia) urged the Pentagon to submit to Congress the pending strategic partnership agreement under negotiation with Afghanistan. Meanwhile, now detained at Ft. Leavenworth, the U.S. soldier accused of last week's shooting rampage in Kandahar was charged Friday with 17 counts of murder.

Africa News. On Thursday, White House Press Secretary Jay Carney issued a statement condemning "the violence initiated by elements of the armed forces of **Mali**," calling for the immediate restoration of constitutional rule. The World Bank immediately suspended development aid to Mali, and the African Union's Peace and Security Council is meeting in Addis Ababa today to discuss the coup d'état. Wednesday, a group of 33 bipartisan Senators unveiled a new resolution in support of the regional efforts to capture the head of the **Lord's Resistance Army** Joseph Kony.

South Asia Developments. The **Burmese Government** announced Wednesday it will allow independent election observers to observe the April 1st parliamentary bi-elections; a move the State Department welcomed. Thursday, the U.N. Human Rights Council passed a U.S.-backed resolution pressing the Sri Lankan government to investigate the civilian deaths in the final stages of the war with the Tamil Tigers. Secretary Clinton issued a statement saying the international community "had sent a strong signal that **Sri Lanka** will only achieve lasting peace through real reconciliation and accountability."

The House Foreign Affairs Committee (HFAC) held a hearing Wednesday on **Russia**. While Democratic Members sought to point out that Russia will join the WTO by summer, irrespective of whether Jackson-Vanik is repealed and Permanent Normal Trade Relations (PNTR) status conferred by the U.S. Congress, there was growing support to replace Jackson-Vanik with the Sergei Magnitsky targeted sanctions bill.

President Obama called **Palestinian Authority President** Mahmoud Abbas Monday to reaffirm the United States' commitment to Middle East Peace and to the objectives outlined by the Quartet. The President also expressed condolences to the people of **Tonga** on the passing of King George Tupou V. On Wednesday, President Obama spoke with President Nicolas Sarkozy, expressing condolence to the people of **France** after a series of attacks by one alleged suspect left seven dead. Last Saturday, the President also expressed condolences on the **passing of Coptic Christian Pope** Shenouda III. Late last Friday (16th), President Obama announced his **intent to nominate** the following individuals: Mark Asquino to be U.S. Ambassador to Equatorial Guinea; Derek Chollet to be Assistant Secretary for International Security Affairs (Defense); and Kathleen Hicks to be Principal Deputy Under Secretary for Policy (Defense). The President **also announced** this week that Brian McKeon is rotating to the position of Chief of Staff of the National Security Staff, and that he will nominate Dartmouth College President Jim Yong Kim, an international public health expert, to head the World Bank.