

This Week in Washington

March 2, 2012

DOMESTIC POLICY MATTERS

Fiscal Year (FY) 2013 Budget. House and Senate Appropriations and authorization committees held several hearings this week to review the President's FY 2013 budget request. While testifying before the House Budget Committee on Wednesday, Defense Secretary Leon Panetta warned of devastating effects from the additional \$492 billion in defense cuts that would be triggered if Congress fails to reach an alternative deficit reduction agreement. Secretary Panetta's position on sequestration met with bipartisan Congressional support. Meanwhile, House Republican leaders met this week to discuss whether to propose a reduction to the top-line discretionary spending cap for FY 2013 below the level set in the Budget Control Act.

Economy & Jobs. The U.S. Department of Commerce reported Wednesday that the economy exceeded expectations and expanded at a three percent annual rate in the final quarter of 2011 – the fastest pace since the spring of 2010. Later that day, President Obama and Vice President Biden met with a bipartisan group of Congressional leaders to discuss job creation legislation. Earlier in the week, the President committed to working closely with the nation's governors at their winter meeting and urged them to invest in education as a cornerstone to improving the economy. On Wednesday, Federal Reserve Chairman Ben Bernanke told the House Financial Services Committee the economy is heading for a "massive fiscal cliff of large spending cuts and tax increases" on January 1, 2013, unless Congress and the President agree to changes before that date.

On Tuesday, the House Education and the Workforce Committee marked up two bills as part of its rewrite of No Child Left Behind. The legislation would scale back the federal role in education and give states more flexibility in determining K-12 policy. Both measures passed on party-line votes of 23 Republicans in favor and 16 Democrats opposed. Also Tuesday, the full House voted to repeal two **Department of Education** regulations aimed at setting the definition of a credit hour and expanding state oversight of institutions of higher education through authorization requirements. While the bill passed the Republican-led House easily (303-114), its future in the Democratic-controlled Senate is uncertain. The Obama Administration released a statement on Monday voicing its strong opposition to the bill, but it did not yet threaten to veto the measure.

Cybersecurity. A group of Senate Republicans released a new cybersecurity bill on Thursday. Senator Saxby Chambliss (R-Georgia) said the bill includes "no new authorized funding, no new government regulations, no growing of the federal government and no mandates on businesses." The legislation is an alternative to the bill previously introduced by Homeland Security Committee Chairman Joe Lieberman (I-Connecticut) and Ranking Member Susan Collins (R-Maine), along with Commerce Committee Chairman John Rockefeller (D-West Virginia) Intelligence Committee Chairwoman Dianne Feinstein (D-California). Those Senators said in a joint statement on Thursday that they are eager to work toward a compromise to "bring comprehensive cybersecurity legislation to the Senate floor as soon as possible."

On Wednesday, the House Natural Resources Committee approved legislation (26-18) to limit the Interior Department's ability to regulate the **coal mining industry**. On Thursday, the Senate voted 51-48 to table an amendment offered by Senator Roy Blunt (R-Missouri) to the surface transportation bill pending consideration on the Senate floor. The amendment would have allowed religious or other employers with a moral objection to opt out of the recent federal mandate requiring coverage of **contraception** or other preventative care in employer-sponsored health insurance plans.

2012 U.S. Election News. Republican presidential candidate Mitt Romney bested rival Rick Santorum and the rest of the GOP field in the Arizona and Michigan primaries held Tuesday, as well as in the Wyoming caucuses held over the last few weeks. However, because Michigan awards delegates proportionately, Governor Romney earned only two more delegates in his native state than Senator Santorum. After serving three terms, Senator Olympia Snowe (R-Maine), well-known for her willingness to work across party lines, announced Tuesday that she will not seek re-election this fall, citing lack of productivity in a polarized Senate. Congresswoman Chellie Pingree (D-Maine) and former Governor and Congressman John Baldacci (D-Maine) are among the potential candidates for the seat. A day later, former Senator Bob Kerrey (D-Nebraska) formally announced that he will run for his old Senate seat, which is being vacated by Senator Ben Nelson (D). Also on Wednesday, House Rules Committee Chairman David Dreier (R-California) announced he will not seek reelection after redistricting left his home territory in a Democratic-leaning seat. On Friday, longtime Representative Norm Dicks (D-Washington), Ranking Member of the House Appropriations Committee, announced that he will not run for re-election in his solidly Democratic district in 2012.

FOREIGN POLICY MATTERS

Syrian Conflict. This week, Saudi Arabia and Qatar declared support for arming the Free Syrian Army; however, the United States has yet to take that position. On Thursday, Assad regime forces overwhelmed the Bab Amr neighborhood of Homs, as Syrian opposition forces retreated from their stronghold. Friday, the International Red Cross dispatched a convoy to Homs with medical and food assistance for civilians trapped for over a month. Meanwhile, Assistant Secretary for Near East Affairs Jeffrey Feltman met in Washington Wednesday with Syrian Chargé d'Affaires Zuheir Jabbour to urge the regime to comply with its November 2nd commitment to the Arab League to end violence against civilians. Testifying before the Senate Foreign Relations Committee Thursday, the Assistant Secretary appealed for international pressure on Russia and China to stop blocking U.N. Security Council action to oust the Assad regime. Also Thursday, in Geneva, the U.N. Human Rights Council condemned violations in Syria.

Iran. The Administration sidestepped a Wednesday deadline established in the National Defense Authorization Act to ratchet up economic pressure on Iran by sanctioning foreign firms that do business there. On Thursday, the House Foreign Affairs Terrorism, Nonproliferation and Trade Subcommittee advanced legislation (H.R. 3783) calling on the Administration to counter Iran's influence in the Western Hemisphere. Next Monday, President Barack Obama will meet with Israeli Prime Minister Benjamin Netanyahu, with the conversation expected to focus on Iran. Also next week, the International Atomic Energy Agency (IAEA) will meet, with Western powers hopeful Russia and China will join in a rebuke of Iran.

Egypt. After Egypt lifted the travel ban on the detained foreign NGO workers, the United States provided a plane to facilitate their departure Thursday. The State Department acknowledged the departure of the NGO workers does not resolve the legal case or remaining concerns about the prosecution of NGOs in Egypt.

Secretary of State Hillary Clinton testified before both the Senate and House appropriations and foreign affairs committees this week on the **proposed FY 2013 State Department budget**. The Secretary fielded questions on Iran Sanctions; Syria; the Overseas Continuity Operations fund (Iraq, Afghanistan and Pakistan); the Arab Spring countries and promoting democracy (including a focus on the new Middle East/North Africa fund); the Keystone XL permit decision; the future of foreign assistance for Egypt given the NGO crisis; and the reported relocation of the Iranian dissident group the Mujahedeen e-Khalq (MEK) inside of Iraq.

Differing statements were released after U.S. and **North Korean (DPRK)** officials met last week in Beijing, leaving unclear the exact extent of diplomatic progress. On Wednesday, the State Department said North Korea has agreed to implement a moratorium on long-range missile launches, nuclear tests and uranium enrichment activities, as well as to allow the return of IAEA inspectors. State also said the U.S. agreed to meet with North Korean officials again to finalize details of a food assistance package. However, North Korea's statement says once the Six Party Talks resume, priority will be given "to the discussion of issues concerning the lifting of sanctions on the DPRK and provision of light water reactors."

The House Ways and Means Committee held a hearing Wednesday with U.S. Trade Representative (USTR) Ron Kirk testifying on the **Administration's trade policy agenda** and the future of U.S. trade negotiations. While members focused on ensuring countries "play by the rules," the hearing also focused on trade promotion (or "fast track") authority for the President, particularly in conjunction with the Trans-Pacific Partnership (TPP) trade negotiations, which the Administration said in Thursday's *2012 Trade Policy Agenda and 2011 Annual Report* that it would like to complete this year. Committee Chair Dave Camp (R-Michigan) also praised the U.S.-Korea Free Trade Agreement entry into force date of March 15. On Tuesday, the President signed an Executive Order establishing an Interagency Trade Enforcement Center to be housed within USTR.

NATO Secretary General Anders Fogh Rasmussen was in Washington this week meeting with senior Administration officials, Senate Foreign Relations Committee Chair John Kerry (D-Massachusetts) and Senate Armed Services member Senator Lindsey Graham (R-South Carolina). Secretary Clinton met with Tony Blair Thursday and held a bilateral meeting Friday with **Jordanian Foreign Minister** Nasser Judeh. Also Friday, the State Department welcomed the E.U. announcement of **Serbia's** candidate country status and the launch of a Feasibility Study for **Kosovo's** Stabilization and Association Agreement. Last weekend, Secretary Clinton concluded her North African trip, meeting Saturday with **Tunisian President** Moncef Marzouki and **Prime Minister** Hamadi Jebali; and travelling on to Morocco Sunday, where she met with **Moroccan Royal Counselor** Fassi Fihri and **Foreign Minister** Saad Eddine Al-Othmani. Also, last Saturday, President Obama congratulated **Yemen** President Abdo Rabo Mansour Hadi and the Yemeni people for the peaceful transfer of power, saying the United States remains a "steadfast partner to Yemen and its people."