

There is a new Speaker of the U.S. House of Representatives, Congressman Mike Johnson of Louisiana. The United States Congress is staring down another federal government funding deadline, with significant risk of a government shutdown. The White House released a long-awaited executive order on artificial intelligence. We are one year out from the 2024 elections and recent polls show President Biden losing in key swing-states to President Trump, but the off-year elections give Democrats some hope. President Biden hosted a trans-Atlantic summit in Washington with European Council President Charles Michel and European Commission President Ursula von der Leyen. The American economy grew by nearly 5 percent (annualized) in the third quarter.

### *Meet Speaker Johnson*

After a three-week long interregnum, the U.S. House of Representatives has a new leader, Congressman Mike Johnson of Louisiana. The new Speaker was first elected to the House in 2016. Prior to his election to Congress, he was an attorney and served in the Louisiana State Legislature from 2015 to 2017. Before being elected as Speaker, a post that is two heartbeats removed from the Oval Office, Johnson served in House leadership as the deputy whip, a very junior role in the Republican Leadership. Speaker Johnson has a daunting “in box” – there is a looming government shutdown, with the last round of brinksmanship over funding costing his predecessor the Speakership. Internationally, the world is on fire and the Republican conference is divided over continuing support for Ukraine’s war effort and additional funds and kit for Israel’s war against Hamas as an additional complication. Politically, any single member of the House can call a “motion to vacate,” presenting an ever-present existential challenge to the new Speaker. Prior to elevating to the third most senior Constitutional role in the United States, Johnson had been in the same room as President Biden twice and had no interactions with the Senate Majority Leader Chuck Schumer (D-NY) and Senate Minority Leader Mitch McConnell (R-KY) that are worthy of note. Now, he is tasked with keeping a raucous House Republican caucus in check, preventing a government shutdown, and negotiating with a White House and Senate Leadership who, cumulatively, have nearly a century of legislative experience – a very tall order for even the most sophisticated of legislative and political operatives.

### *Shutdown Showdown...Again...*

With days to go until funding for the federal government runs out, Speaker Johnson presented a two-step plan to avert a government shutdown. Johnson’s plan would extend funding until January 19 for the military construction, Veterans Affairs, transportation, housing, and Energy Department accounts and for the rest of government until February 2. The two-step approach was widely pushed by Republican hardliners but dismissed by many Senators. Notably, the measure does not include the deep spending cuts hard-right House Republicans have pushed for but instead extends funding at current levels. Johnson has already lost several early legislative spending fights, having to pull measures off the floor. His margins are exceptionally slim, and the stakes incredibly high, especially for a newly minted Speaker. To get the funding measure approved, the first hurdle is to get a “rule” approved to set the parameters for a floor debate. The minority typically votes against the rule in lockstep, therefore Johnson can only afford to lose four Republicans to approve it. If the rule is approved, and the underlying measure is supported on the House floor, the Senate would also need to approve the bill. As of this writing that is unlikely as Senators are working on a “clean

CR” kicking the can down the road at current funding levels. If lawmakers fail to pass a spending plan by Friday, November 17, many government operations will grind to a halt until Congress acts.

### *Biden Administration Releases Sweeping AI Executive Order*

On October 30, 2023, the White House released a sweeping executive order on artificial intelligence (AI) focused on managing risks associated with the technology and encouraging its development. According to a [White House fact sheet](#), the executive order “establishes new standards for AI safety and security, protects Americans’ privacy, advances equity and civil rights, stands up for consumers and workers, promotes innovation and competition, and advances American leadership around the world.” The measure includes dozens of directives to numerous agencies that will be implemented in the next year. These directives will impact companies that are developing and deploying AI. As government departments and agencies implement the order, there will be new requirements for government contractors, as well as new AI standards, guidance, and best practices for the private sector. In an effort to promote innovation and competition, the order established the National AI Research Resource, which will expand grants for AI research in areas such as health care and climate change. Following the release of the executive order Vice President Kamala Harris traveled to the United Kingdom to participate in Prime Minister Rishi Sunak’s Global Summit on AI Safety. In a [speech](#) delivered at the U.S. Embassy in London in advance of the Summit, Harris detailed the vision and the principles that guide America’s work on AI.

### *A Year Out from 2024*

We are less than a year out from the 2024 Presidential election. While a year is a considerable amount of time, there are some early indicators and poll numbers worth of note. It is important to recognize that American voters cast 158 million ballots in the 2020 presidential election, yet the winner was ultimately decided by about 43,000 voters across Arizona, Georgia and Wisconsin, allowing us to focus out attention on key geographies and specific demographics. A widely cited poll from [CNN/SSRS](#) shows former President Donald Trump leading Biden 49% to 45%, in critical swing states revealing Biden’s challenges and Trump’s potential path to victory. Support for Robert F. Kennedy Jr. and Cornel West, both of whom have announced runs as independents, is hovering around 11 percent and 4 percent, respectively, presenting third party complications. The announcement from Senator Joe Manchin (D-WV) that he will not seek reelection has sparked further conversations about his potential run on a third party ticket facilitated by the group, No Labels, something he has not completely dismissed and, in fact, leaned into when stating he would remain involved in politics, including by “traveling the country and speaking out to see if there is an interest in creating a movement to mobilize the middle.” To paraphrase the *New York Times* columnist David Brooks, [polls are where people vent, not where they vote](#), but while the general election is still a year away, all indications point to a divisive, tense, and potentially uncertain political exercise next fall.

### *2023 Off-Year Elections Offer Clues for 2024*

Several states went to the polls this month for off-year elections. [Kentucky](#) and [Mississippi](#) holding gubernatorial elections, [Virginia](#) held state legislative elections, and ballot initiatives on

abortion rights and marijuana legalization were held in [Ohio](#). Kentucky Governor Andy Beshear (D) overcame a challenge from the Trump-backed Republican state Attorney General Daniel Cameron in a very red state. In Mississippi, Republican Governor Tate Reeves was easily re-elected to a second term. Democrats won control of the Virginia legislature following a campaign in which the incumbent Governor Glenn Youngkin (R) heavily campaigned to get a legislature which could help him enact a conservative agenda. While not on the ballot, Youngkin's defeat will quiet the buzz he had generated that he might make a late, surprise entry into the GOP presidential primary. The abortion ballot initiative in Ohio demonstrates that this is a very hot issue and Democratic voters were highly motivated and mobilized in the ensuing passage of a measure enshrining the right to abortion into the state constitution. Democrats had plenty of good news to celebrate, despite President Biden's poor approval numbers.

### *Trans-Atlantic Summit Held in Washington*

A trans-Atlantic summit was hosted in Washington on October 20. The high-level meeting between U.S. President Joe Biden, European Council President Charles Michel and European Commission President Ursula von der Leyen sought to address a long-running steel and aluminum dispute amid rising pressure and geopolitical friction on multiple fronts. The gathering comes as negotiators are under increasing pressure to avert the reimposition of Trump-era tariffs on billions of dollars worth of transatlantic commerce. The last official EU-U.S. summit took place in June 2021, although Biden did attend a meeting of EU leaders in March of last year. In a [joint summit statement](#), the leaders committed to strengthen and deepen EU-U.S. security cooperation, advance joint work in the run up to the upcoming U.S.-EU Trade and Technology Council (TTC) ministerial meeting later in 2023, deepen collaboration to address climate change and biodiversity loss, expand technology cooperation, as well as strengthen economic resilience and economic security. The Leader's statement also strongly condemned the October 7 Hamas attack on Israel, expressed unwavering support for Ukraine, and committed to enhancing coordination and cooperation in support of a free and open Indo-Pacific.

### *U.S. Economy Surging*

The latest [gross domestic product \(GDP\) report](#) from the Department of Commerce for the third quarter of 2023 shows the American economy growing at a blistering rate of nearly 5%, the fastest pace of economic growth in more than two years. The third quarter economic growth is more than double the 2.1% annual rate of the previous quarter. Even though inflation is still a vexing issue, the GDP report illustrates that Americans are willing to spend. At this time last year there was widespread concern about a potential recession in 2023, this new data makes recession fears increasingly remote. Nevertheless, the continued resilience of growth poses a problem for policymakers at the Federal Reserve, where officials believe a period of below-trend growth is necessary to fully combat inflation.

### *Personnel Updates*

*Department of Commerce* – **Ben Haas** is now the Chief of Staff to the Undersecretary for Industry and Security.

*Department of Defense* – **Andrew L. Winternitz** is now the Deputy Assistant Secretary for East Asia in the Office of the Assistant Secretary of Defense for Indo-Pacific Security Affairs.

*Department of Health and Human Services* – **Dr. Monica M. Bertagnolli**, MD, FASCO was confirmed as the Director of the National Institutes of Health. **Dr. Ruth T. Jones Nichols**, PhD is now a Senior Advisor for Public Engagement.

*Department of Homeland Security* – **Jared Lang** is a Special Advisor in the Office of the Undersecretary for Strategy, Policy, and Plans.

*Department of State* – **Jack Lew** was confirmed as the U.S. Ambassador to Israel. **Julie E. Turner** was named Special Envoy on North Korean Human Rights Issues. **Sarah E. Morgenthau** in the Special Representative for Commercial and Business Affairs.

*Department of Transportation* – **Stephanie Pollack** is the Director of Bipartisan Infrastructure Law Implementation in the Office of the Secretary. **Mike Whitaker** was confirmed as Administrator of the Federal Aviation Administration.

*The White House* – **Josh Geltzer** is now Deputy Assistant to the President and Legal Advisor to the National Security Council (NSC). **Samer J. Mosis** is Director for Energy Markets and **LeAnne Noelani Howard** is the Special Advisor for NATO and Coordinator at Europe and Russia on the NSC staff. **Josh May** is the Deputy Chief of Staff at the Office of Management and Budget (OMB). **Dan Koh** is Deputy Director at Office of Intergovernmental Affairs. **Sheila B. Grant** is now the Deputy Cabinet Secretary in the Office of Cabinet Affairs. **Marian Dimaano** is the Director of Partnerships in the Office of Digital Strategy. **Krista B. Schwarz** is now a Senior Economist at Council of Economic Advisers. In the Office of Public Engagement, **Jenny Kaplan** in now a Senior Advisor and **Jamie Citron** is Principal Deputy Director.