

MNI POLITICAL RISK ANALYSIS - US Daily Brief 08-01-26

by Adam Burrowes

The White House *(times subject to change)*

10:15 ET 15:15 GMT	President Trump participates in a Photo Opportunity with United States Attorneys
11:00 ET 16:00 GMT	President Trump receives his Intelligence Briefing
17:30 ET 22:30 GMT	President Trump participates in a Policy Meeting, Oval Office

Key Dates:

- ❖ *Jan. 30: Government funding expires*
- ❖ *Jan 31: Texas Special Election*
- ❖ *April 16: New Jersey Special Election*
- ❖ *March 10: Georgia Special Election*

Washington

President Donald Trump will participate in an event with US attorneys and receive an intel briefing in the morning. At 17:30 ET 22:30 GMT, he will host a policy meeting in the Oval Office.

- Semafor reports that Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, and Energy Secretary Chris Wright will join Trump at the World Economic Forum in Davos, Switzerland, later this month. USTR Jamieson Greer, special envoy Steve Witkoff, AI and crypto czar David Sacks are also expected to be part of the delegation.

Yesterday, Secretary of State Marco Rubio met with Saudi Foreign Minister Prince Faisal bin Farhan Al Saud at the Department of State, “to advance ongoing bilateral cooperation following the November meeting between President Trump and Crown Prince Mohammed bin Salman.”

- A State Department readout notes, “The Secretary and the Foreign Minister discussed continued coordination in support of Middle Eastern security and stability, including in Gaza, Yemen, Sudan, and Syria.”
- Rubio also held a call with G7 foreign ministers to discuss the United States’ “counternarcotics operations in the Caribbean, the arrest of Nicolás Maduro, and the need to ensure a proper, judicious transition of power in Venezuela.” A readout notes, “They also reiterated support for ongoing negotiations to end the Russia-Ukraine war.”

Venezuela

Senior Trump administration officials have sketched out a three-phase plan that they believe will allow them to ‘dictate’ policy decisions in Venezuela and force government reform on the country without the need for ‘boots on the ground’. The US will avoid additional military action by leveraging the sale of Venezuelan oil, which has been subject to a month-long US blockade to enforce sanctions.

- The Trump administration will retain the right to use force if it deems the ‘interim’ government of Delcy Rodríguez is failing to adhere to the terms of the agreement. Indeed, Trump said Rodríguez would pay “a very big price, probably bigger than Maduro” if she doesn’t agree to US terms, per CNN.
- Trump said in a two-hour interview with the [New York Times](#) that US oversight of Venezuelan oil could last for years, “We will rebuild it in a very profitable way. We’re going to be using oil, and we’re going to be taking oil. We’re getting oil prices down, and we’re going to be giving money to Venezuela, which they desperately need.”
- The Wall Street Journal [reports](#) that Trump has told aides he believes his efforts could help lower oil prices to his favoured level of \$50 a barrel.

Phase 1: Secretary of State Marco Rubio [told reporters](#) after a classified briefing with Senators on Capitol Hill yesterday that the first phase of the plan centres on ‘stabilisation’ of the country. Rubio said, echoing Trump’s message on Truth Social earlier in the week, “We are going to take between 30 and 50 million barrels of oil. We’re going to sell it in the marketplace – at market rates, not at the discounts Venezuela was getting.”

- Rubio continued, “*That money will then be handled in such a way that we will control how it is disbursed in a way that benefits the Venezuelan people – not corruption, not the regime. So, we have a lot of leverage to move on the stabilization front.*”
- Senator Mike Rounds (R-SD), who sits on the Senate Armed Services Committee, said: “The immediate thing that we’ve got to do is to make sure that this current operational government that’s there today has got to have some resources to pay their bills. The intent is to make sure that it doesn’t go into chaos.”
- The New York Times notes, “The Venezuelan state oil company later confirmed in a statement that it was in negotiations to sell oil to the United States, but did not detail how such a deal would work.”

Vice President JD Vance said, “We control the energy resources, and we tell the regime, you’re allowed to sell the oil so long as you serve America’s national interest, you’re not allowed to sell it if you can’t serve America’s national interest.”

- Energy Secretary Chris Wright, who met with oil executives in Florida yesterday, said: “We’re going to market the crude coming out of Venezuela. First this backed-up store of oil, and then indefinitely going forward we will sell the production that comes out of Venezuela in the marketplace.”
- The DOE has published a fact sheet detailing the plan [here](#). The fact sheet notes that US is “selectively rolling back sanctions to enable the transport and sale of Venezuelan crude and oil products to global markets.”

Phase 2: The second phase of the plan, according to Rubio, will see the return of Western companies to the Venezuelan market, along with a “process of reconciliation nationally within Venezuela so that the opposition forces can be amnestied and released from prisons or brought back to the country, and begin to rebuild civil society.”

- Phase 3: The third phase is ‘transition’. Rubio was vague on the details, but administration officials have been clear in their characterisation of the Rodríguez administration as an ‘interim authority’, suggesting that the long-term goal is a return to free and fair elections.

- Yesterday afternoon, White House Press Secretary Karoline Leavitt echoed Rubio's key points and noted that it is too soon to put a "timeline" on elections in the country.

The plan has a lot of moving parts and has drawn scepticism from Democrats (leading progressive Democrat Senator Chris Murphy (D-CT) described the plan as 'insane'). Perhaps the most challenging aspect of the plan is selling it to the oil companies, who will need to finance the restoration of Venezuela's degraded oil infrastructure without clear assurances on security and oil prices trending bearish.

- Energy Secretary Chris Wright met a raft of oil industry execs at a Goldman Sachs conference in Miami yesterday. Press Secretary Karoline Leavitt told reporters Wright will have a second meeting with Trump and oil industry execs at the White House on Friday.
- Wright said after the Miami meeting that he was getting "barraged" by companies telling him, "We're interested. How can we get involved?" Wright noted that the administration was "still working out the logistics" of how it plans to sell the oil and deposit the proceeds.

CNN [notes](#), "The vision laid out by senior Trump officials... would represent an unprecedented exertion of control over a foreign country's oil resources with no clear timetable or guarantee of success."

- The Washington Post reports that the fleet of US warships in the waters surrounding Venezuela has begun to thin but "could be moved into the Caribbean again if required". The shift includes the relocation of the USS Iwo Jima and the USS San Antonio to waters north of Cuba in the Atlantic Ocean, per the Post.

Congressional Response

Senate Democrats will force a vote today at 11:00 ET 16:00 BST on a symbolic [war powers resolution](#) requiring congressional approval for additional military action in Venezuela (and elsewhere). Democrats need at least three Republican votes, plus co-sponsor Senator Rand Paul (R-KY), to pass. If the resolution passes, it is certain to be vetoed by Trump.

- Politico notes that "It's likely to fail [in the Senate] given the lack of GOP support. [Senator Susan Collins (R-ME)] was noncommittal Tuesday on whether she'd sign onto the gambit, saying she wants more information about the administration's goals going forward."
- Centrist Democratic Senator John Fetterman (D-PA) has also issued a series of statements suggesting he may vote down the resolution.
- Punchbowl noted yesterday that Democrats are opting for the symbolic war powers resolution instead of threatening to hold up or even block FY26 government funding bills as they are fearful it could "unravel the already-delicate funding process."

Greenland

Secretary of State Marco Rubio told reporters yesterday that he will meet with representatives from Denmark and Greenland next week to discuss a US acquisition of Greenland.

- Semafor notes, “Denmark’s ambassador to the US, Jesper Møller Sørensen, will head to Congress today to meet with a bipartisan group of lawmakers, including Sen. Jeanne Shaheen [D-NH], the top Democrat on the Foreign Relations Committee.”
- Rubio has sought to downplay the prospect that Washington could force the acquisition through military force, suggesting the US would opt to purchase the self-governing island. Note: Former US President Harry Truman similarly offered to buy the island in 1946, offering Copenhagen USD\$100 million in gold and oil rights in Alaska. Denmark declined.

White House Press Secretary Karoline Leavitt said President Trump would reserve the right to use military force if negotiations failed, appearing to draw parallels with military actions in Iran and Venezuela.

- Leavitt said: *“Look at Venezuela. [Trump] tried ardently to strike a good deal with Nicolás Maduro. And he told him, ‘I will use the United States military if you do not take such a deal and you will not like it.’ And look at what happened. He tried to have serious interest in a deal with the Iranian regime with respect to their nuclear capabilities, and so Operation Midnight Hammer happened.”*
- Politico notes, “That the White House makes no distinction between two longtime adversaries openly hostile to the United States with a Democratic ally and NATO member stands to only deepen the fear inside Europe that Trump could break the decades-old alliance.”

Colombia

Trump appears to have dialled down tensions with Colombian President Gustavo Petro, holding an hour-long call to de-escalate a period of deteriorating relations. Only [days ago](#), Trump, asked if the US might take military action against Colombia, said, “It sounds good to me”, resulting in a furious backlash from Petro.

- NYT [reports](#) the call came as Trump was interviewed by its reporters. Trump took the hour-long call with Petro (noted as unusually long for a Trump call with a foreign leader) with the journalists present, while VP JD Vance and Secretary of State Marco Rubio also joined.
- Following the call, Trump posted on Truth Social: *“It was a Great Honor to speak with the President of Colombia, Gustavo Petro, who called to explain the situation of drugs and other disagreements that we have had. I appreciated his call and tone, and look forward to meeting him in the near future. Arrangements are being made between Secretary of State Marco Rubio and the Foreign Minister of Colombia...”*

Defence

President Trump proposed yesterday in a message on Truth Social that the Department of Defense budget should be increased to USD\$1.5 trillion for 2027, the highest level since the end of the Cold War.

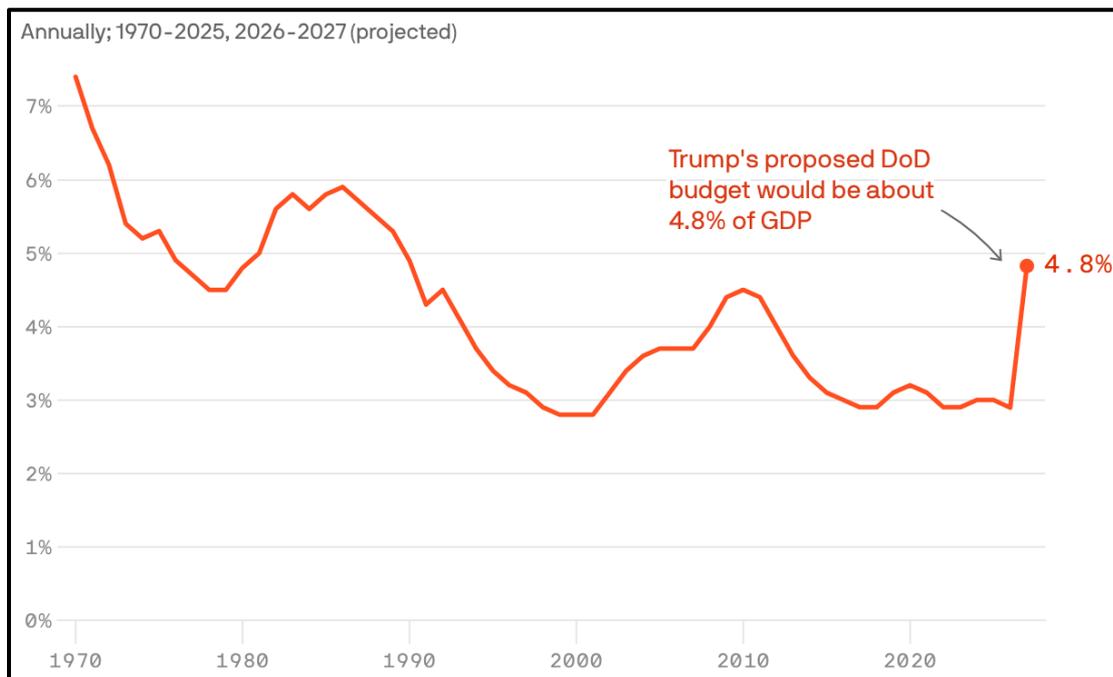
- Axios notes: “Trump is betting on Cold War-scale spending to build a “dream military” for a new era of great-power competition. Trump’s proposal easily clears previous defense budgets by hundreds of billions of dollars, a move that will likely satisfy congressional hawks.”

- The proposal would include two flagship initiatives; the Golden Dome missile defence shield and the Golden Fleet expansion of shipyards and naval warships.

Trump also took aim at defence contractors, pledging to ban stock buybacks and executive pay packets exceeding USD\$5 million, saying executive pay packages in the industry are “exorbitant and unjustifiable given how slowly these companies are delivering vital Equipment to our Military, and our Allies.”

- Trump said, “From this point forward, these Executives must build NEW and MODERN Production Plants, both for delivering and maintaining this important Equipment, and for building the latest Models of future Military Equipment.”
- Trump later said that “It must be built now with the Dividends, Stock Buybacks, and Over Compensation of Executives, rather than borrowing from Financial Institutions, or getting the money from your Government.”

Figure 1: Department of Defense Spending as a Share of GDP



Source: Axios, DOD

Congressional Business

The House is IN

The Senate is OUT

Committee Schedule –

Housing

Trump announced on Truth Social yesterday that he intends to ban institutional investors from buying single-family homes, a first significant move to address the country's housing shortage.

- Trump wrote, "I am immediately taking steps to ban large institutional investors from buying more single-family homes, and I will be calling on Congress to codify it. People live in homes, not corporations."

The Wall Street Journal [reports](#): "It isn't clear if Trump can carry out such a ban without congressional approval, and big investors would still be able to hold on to their hundreds of thousands of existing homes. Yet if the president is able to enact a ban, it would likely ripple through a number of major housing markets across the country."

- The Journal notes, "Home prices are up more than 50% nationally since 2019, and the median existing-home price in November rose to \$409,200. Home buying overall has dwindled over the past three years due to high home prices and the surge in mortgage rates."

Health Care

The House of Representatives is expected to pass a Democrat-led bill today to restore the Obamacare enhanced subsidies that lapsed late last year, for an additional three years.

- The bill is unlikely to have enough support to pass the Senate, with a bipartisan group of Senators continuing to meet this week on a compromise agreement that includes an extension of the subsidies with some policy changes.
- The Wall Street Journal [reports](#), "The emerging [Senate] framework would continue the enhanced Affordable Care Act subsidies for two years, while adding income caps, antifraud measures and other provisions designed to draw GOP support. Language related to abortion coverage remains a major sticking point."

Russia

Senator Lindsay Graham (R-SC) said in a statement on X yesterday that the Senate could vote as soon as next week on the long-stalled legislation he co-authored with Senator Richard Blumenthal (R-CT) to impose new sanctions on Russia.

- Graham said, "After a very productive meeting today with President Trump on a variety of issues, he greenlit the bipartisan Russia sanctions bill that I have been working on for months with Senator [Richard] Blumenthal and many others."
- Graham continued, "This will be well-timed, as Ukraine is making concessions for peace and Putin is all talk, continuing to kill the innocent. This bill will allow President Trump to punish those countries who buy cheap Russian oil fueling Putin's war machine."
- "This bill would give President Trump tremendous leverage against countries like China, India and Brazil to incentivize them to stop buying the cheap Russian oil that provides the financing for Putin's bloodbath against Ukraine."

- Politico notes, “The legislation would place secondary sanctions on countries such as China and India that buy oil and gas from Russia in a bid to cut off the cash flow for President Vladimir Putin’s war machine.”

Chart of the Day

A new survey from [CBS News/YouGov](#) has found that Americans are divided about the US military intervention, and their views on it connect to what they think the US goals are and what they believe comes next.

- CBS notes, “At the moment, most think the Trump administration is among other aims trying to get access to Venezuela’s oil and expand U.S. power in the region — and when Americans think those are big parts of the goals, they tend to disapprove. When people think the goals are a lot about stopping drugs, gangs and terrorists, they are more approving.”
- Notably, the survey found that, “Even more MAGA Republicans support the action now than supported the idea of it back in November. There are at least two reasons: one is that they overwhelmingly call the operation a military success, whereas other Americans frequently say it’s too soon to evaluate.”

Figure 2: US Military Action in Venezuela Removing Maduro from Power, by party

	DEMS	INDS	REPS
APPROVE	13%	42%	89%
DISAPPROVE	87%	58%	11%

Source: CBS News/YouGov

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