

MNI POLITICAL RISK ANALYSIS - US Daily Brief 20-06-25

by Adam Burrowes

The White House *(times subject to change)*

11:00 ET 16:00 BST	President Trump attends a National Security Meeting in the Oval Office
14:00 ET 19:00 BST	President departs the White House en route to Bedminster, NJ
19:30 ET 00:30 BST	President Trump attends a 'MAGA Inc. Dinner' at Trump National Golf Club

KEY DATES:

- ❖ Target for Congress to send 'Big Beautiful Bill' to Trump's desk: July 4
- ❖ Government funding expires: September 30

Washington

At 11:00 ET 16:00 BST, President Donald Trump will hold a fourth consecutive meeting with his national security team, this time in the Oval Office rather than the White House Situation Room.

- At 14:00 ET 19:00 BST, Trump will depart the White House for Bedminster, New Jersey, where he will attend a dinner at his golf club for his 'MAGA Inc'. Super PAC.

A three-judge panel in San Francisco ruled yesterday that the Trump administration can keep using California National Guard troops to respond to the protests.

- Bloomberg notes: "In effect, it doesn't change the situation on the ground in Los Angeles, where the federal government has been deploying the military for more than a week."

Israel-Iran Conflict

After three days of deliberations on joining Israeli air strikes on Iran, Trump deferred his decision yesterday. Markets have been receptive to the pause, but there are few signs of the war abating on the ground, or the US, Israel, or Iran showing the kind of flexibility on their 'red lines' that will facilitate a diplomatic breakthrough.

- Via his press secretary, Karoline Leavitt, Trump said yesterday: *"Based on the fact that there's a substantial chance of negotiations that may or may not take place with Iran in the near future, I will make my decision whether or not to go within the next two weeks."*
- Leavitt noted that communication between Iran and the US "has continued" but declined to confirm if talks had been direct or through intermediaries.
- Leavitt added that Iran must agree to no enrichment of uranium, and Tehran must not be able to achieve a nuclear weapon as part of any diplomatic agreement.

Pausing his decision to join Israeli attacks, while ostensibly opening the door for negotiations with Iran over its nuclear programme, allows Israel space to continue its war objectives. The pause also buys more time to manoeuvre US military assets, including bringing SS Nimitz, a second carrier strike fleet, to the region and positioning B2 bombers capable of delivering 'bunker buster' bombs.

- Trump's wording "within the next two weeks" also keeps the door ajar for Trump to authorise a strike within that timeframe. Trump's decisions are [known](#) to be made with little prior warning, feeding into a position of 'strategic ambiguity'.

The New York Times is out with a [widely shared piece](#) arguing that Trump's pause "opens a host of new military and covert options". According to the Times, "Trump will now have time to determine whether six days of relentless bombing and killing by Israeli forces ... has changed minds in Tehran."

- James G. Stavridis, the former supreme US commander in Europe, told CNN the pause, "could be cover for a decision to strike, immediately. Maybe this is a very clever ruse to lull the Iranians into a sense of complacency."
- Stavridis added that he thinks "there's a 2 in 3 chance [Trump] will go ahead and strike... I think there's a 1 in 3 chance he'll give it a bit more time and see how diplomacy plays out. You can make a case on either side of that decision."

Reporters have pointed out that Trump has previously blown past self-imposed two-week deadlines without substantial results.

- NYT [notes](#) that for Trump, two weeks is "not a measurement of time so much as a placeholder. Tax plans, health care policies, evidence of conspiracy theories he claimed were true, the fight against ISIS, the opening of some coal mines, infrastructure plans — all were at one point or another riddles he promised to solve for the public in about two weeks."

Israeli Defence Minister Israel Katz told reporters this morning that he has directed the IDF to "increase attacks on Iranian regime targets in Tehran," with a goal of "destabilizing" the Iranian regime, per Reuters.

- Bloomberg reports that Israel's Energy Minister Eli Cohen said Israel will "complete Iran task whether or not US joins," but adding that a US participation would "help the operation against Iran."

Geneva Talks

The first opportunity for a diplomatic breakthrough could come today when Iran's Foreign Minister Abbas Araghchi meets with his British, French, and German counterparts – the so-called E3 - in Geneva. The meeting, if it goes ahead, will be the first known in-person contact between senior Iranian and Western officials since Israel began its campaign against Iran.

- Araghchi tempered expectations of a breakthrough in Geneva, saying Iran is "not prepared for talks with anyone while Israeli attacks continue," per Iranian state television.

- Araghchi said, "after our resistance against Israel, I think countries will distance themselves from this 'aggression.' There is no room for negotiations with the US until the Israeli aggression stops."
- Araghchi noted that the talks with E3 will "focus solely on nuclear, regional issues".

Ahead of the meeting, Israel and Iran's so-called 'red lines' appear unmoved. The US wants Iran to end uranium enrichment, which Tehran rejects — but the Islamic Republic has reportedly offered flexibility on its nuclear position if Washington pressures Israel to stop the strikes, per Semafor.

- Israel has publicly committed to continuing the war with or without US involvement. Araghchi declared that "Tehran's ballistic missile programme is non-negotiable", per Reuters. That's another Israeli 'red line'.

UK Foreign Minister David Lammy said after a White House meeting with US Secretary of State Marco Rubio and President Donald Trump's Middle East Envoy, Steve Witkoff, yesterday: "A window now exists within the next two weeks to achieve a diplomatic solution," referring Trump's delay.

- French President Emmanuel Macron told reporters this morning that Iran "must show its willingness to return to negotiating table," adding that the IAEA, "must be able to continue its activities to ensure Iran does not perform nuclear enrichment."

Laurence Norman at WSJ notes the talks could offer "an off ramp" but Washington "may ignore what happens here," or "Iran may stick to all its old positions and red lines."

- The involvement of the European signatories to the 2015 JCPOA offers a new angle, as Europe was sidelined from five rounds of talks this year. The Europeans have authority over so-called 'snapback' sanctions on Iran, described by [Iran Wire](#) as "one of the most powerful diplomatic tools ever planned in international relations," which provides leverage over Tehran.

The International Crisis Group writes in [valuable analysis](#): "The diplomatic path is very narrow – but until the US decides whether to go to war itself, it is not entirely closed."

- Adam Tooze writes in a [must-read examination](#) of the war's strategic calculus, on his Substack: "...if economics is the issue here, the question in the coming days and weeks is who has placed the right bet? Israel-US or Iran?"
- "According to Israeli estimates, its interceptions of incoming missiles during an intensive bombardment costs as much as \$285 million per night. Each Arrow 3 interceptor is priced at \$ 2 million. And more importantly than price, it is physical stocks and production capacity that are limited. Even sharing the production runs on a 50/50 basis the military-industrial establishments of Israel and the US cannot keep up with demand for the interceptors. According to American analysts, the most pressing question in coming weeks will be whether Iran or Israel runs out of rockets first."

Congressional Business

The House is OUT

The Senate is OUT

Committee Schedule –

Big Beautiful Bill

Senate Parliamentarian Elizabeth MacDonough has begun the process of scrubbing the GOP's 'One Big Beautiful Bill' to ensure it conforms with the rules of Budget Reconciliation. The rules, which dictate that the bill must only impact tax and spending and allowing the governing party to sidestep the Senate filibuster, could impact some of the provisions within the package.

- The Parliamentarian's process, known as the Byrd Bath, is likely to run into the middle of next week, when Senate Majority Leader John Thune (R-SD) intends to hold his first procedural votes on the bill.

Politico notes: "Republicans are bracing for an answer to one consequential question they punted on earlier this year: whether they can use an accounting maneuver known as "current policy baseline" to make it appear that extending Trump's 2017 tax cuts would cost nothing."

- Other items that may be in the firing line include, tax cuts on gun silencers and a proposal that would facilitate raising taxes on foreign companies that has been panned by business groups as a "revenge tax."
- MacDonough is also likely to weigh in on AI regulation and the use of the bill to fund parts of the farm bill, usually a standalone legislative package.

Punchbowl News writes, noting the July 4 deadline for sending the package to Trump's desk: "Setting a hard deadline in the House helped Johnson and Trump force reluctant House Republicans into line last month, and Thune is hoping the same can happen in the Senate. Deadlines (and recesses) focus minds on Capitol Hill like nothing else."

- Punchbowl adds: "But there are still significant obstacles to overcome on Medicaid spending cuts, SALT and repealing clean energy credits from the Inflation Reduction Act. The Republican margin of control in the House especially is razor thin, even with Trump battering holdouts. So we remain somewhat skeptical of Trump and GOP congressional leaders making that deadline."

India

Nikkei Asia [reports](#) that India is eyeing its trade deal with the UK as a blueprint for its negotiations with Washington but, "it is far from clear whether India, or any of the regional players like Japan, South Korea and Vietnam that are seeking deals, can actually succeed in striking an accord" with Trump.

- Nikkei notes: "India's deal with the U.K. is its first direct pact with a Western economy, designed to boost trade between the two countries by as much as 25.5

billion pounds (\$34 billion). But that deal was reached after three years of negotiations: Trump will impose his tariffs in less than three weeks, barring a change of heart."

- Nikkei adds: "During Prime Minister Narendra Modi's February visit to the U.S., the two sides announced plans to negotiate the "first tranche," or phase one, of a bilateral trade agreement by fall, and expand trade to \$500 billion by 2030 from around \$200 billion now. The U.S. will replace Russia as India's biggest oil supplier, Trump and Modi agreed."
- India's Commerce Secretary Sunil Barthwal said this week: "We are working out the early tranche, and as you are aware that there is a date, 9th of July. Before that, we would like to conclude this early tranche. Both the teams are visiting each other. We visited the U.S. twice and the U.S. team has also come [to India] twice, so the progress is good ... We are hopeful that this would be done within the timelines."

Federal Reserve

Federal Housing Finance Agency (FHFA) Director Bill Pulte issued a string of statements on social media calling on Federal Reserve Chair Jerome Powell to resign, inserting his independent agency into a partisan confrontation with the Fed.

- Pulte [said](#): "I am calling for Federal Reserve Chairman, Jay Powell, to resign," adding in a later message: "It is so totally reckless to keep rates where they are at. Mortgage rates were 3% and went to 7%. This is crazy. This crushed affordability. Inflation is down. Mortgage rates, and interest rates, need to come down. Jerome Powell is doing a great injustice to this Country."
- The Hill notes: "Powell, as he has for years, shot down questions Wednesday about Trump's criticism and has insisted he will not leave the Fed before the end of his term. While Powell's term as chair ends in 2026, he could stay on the Fed board as a governor through 2028 if he so chooses."

Russia

Kremlin spokesperson Dmitri Peskov spoke to reporters this morning on conflicts in the Middle East and Ukraine. Peskov declined to predict a meeting between Russian President Vladimir Putin and US President Donald Trump happening this year, noting "complex work" is needed before a meeting could take place, per Reuters.

- Peskov said the Kremlin hopes to agree on a new date soon to resume talks with US on removing "irritants" in relations. Peskov noted that "dialogue with Ukraine continues," and the Kremlin expects to "agree next week" on a date for the next round of talks.

On Israel-Iran, Peskov said Putin offered his services as mediator, but it is "hard to say if his offer will be taken up," adding that "so far we see Israeli desire to continue military action" but "there is always hope, and potential for diplomatic efforts".

- PBS [reports](#) that Moscow shared a proposal with Iran, Israel, and US, "that could allow Tehran to pursue a peaceful atomic program while assuaging Israeli security concerns."

- Putin said: “...we are simply talking about how we see a possible way out of the situation. But the decision, of course, is up to the political leadership of all these countries, primarily Iran and Israel.”
- On Wednesday, Trump appeared to reject the offer of mediation, saying he told Putin in a call: “I said, ‘Do me a favor, mediate your own... let’s mediate Russia first...”
- While Russia and Iran have a “strategic partnership” treaty, there have been no signs yet that Moscow has offered Tehran military assistance. Russia, a signatory to the 2015 Iran nuclear deal, has worked with the US in the past on curbing Iran’s nuclear programme.

TikTok

Trump yesterday extended the deadline for a TikTok ban by another 90 days, a third reprieve for the app this year.

- Semafor notes: “Under a law passed last year, a US ban was set to take effect the day before Trump took office if TikTok’s Chinese parent company didn’t sell the platform; despite Washington’s previous national security concerns, Trump has recently hailed the app as a potent way to reach young voters. TikTok’s fate has since become entangled in US-China trade talks...”
- Rep. Dan Newhouse (R-WA) said in a [statement on X](#): “The law is clear - TikTok can only be used in the U.S. if ByteDance divests its foreign ownership, with only one permissible extension of the compliance deadline. The CCP uses TikTok to steal Americans’ personal data, a clear national security issue. As a Member of the [House Select Committee on the Chinese Communist Party] I was proud to support the ban of TikTok and believe the law should be implemented as written.”

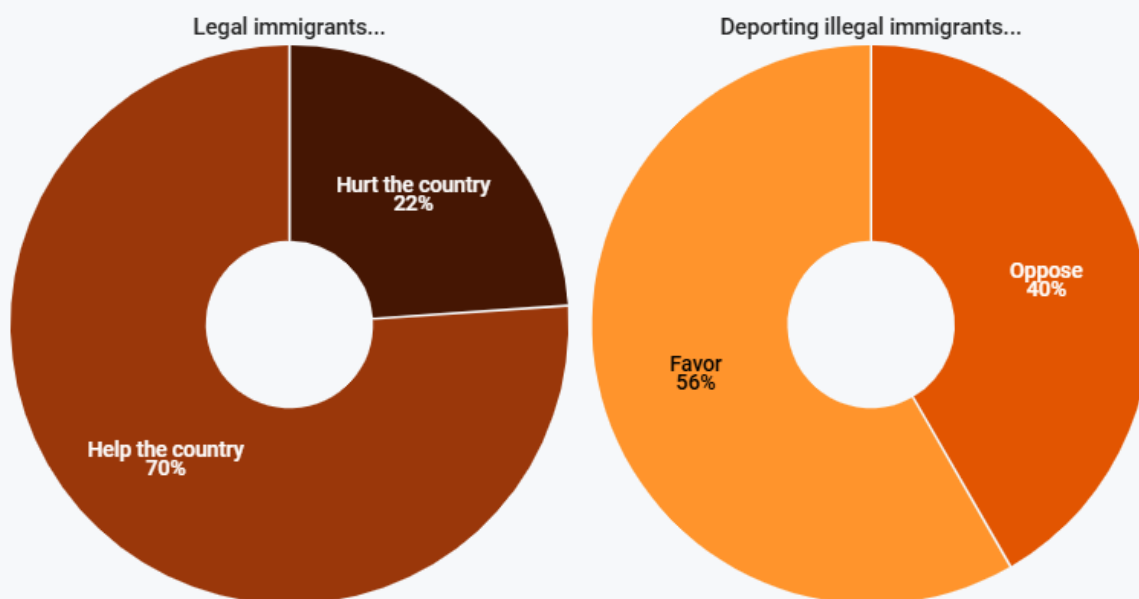
Chart of the Day

A new [Fox News survey](#) has found fewer Americans now support the deportation of migrants in the United States illegally, but the policy still retains majority support.

- Fox notes: “Two weeks after federal raids in Los Angeles spurred nationwide protests on immigration policy, the latest Fox News national survey finds many voters think legal immigrants help the country – while also favoring deporting those who are here illegally.
- “Seventy percent think legal immigrants help the U.S. rather than hurt it (22%). That’s up 15 points from two years ago when 55% said they help.
- “The increase is mostly driven by a sharp increase in the number of Republicans who think legal immigrants help the country (61% vs. 35% in 2023).
- “At the same time, a 56% majority favors deporting those who are in the U.S. illegally. That’s down from 63% since March and a high of 67% in October 2024 and December 2023.”

Figure 1: “Most Voters Say Legal Immigrants Help the Country, and a Majority Favors Deporting Illegal Immigrants”

MOST VOTERS SAY LEGAL IMMIGRANTS HELP THE COUNTRY, AND A MAJORITY FAVORS DEPORTING ILLEGAL IMMIGRANTS



Source: Fox News

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