

Cozen Currents: Can House GOP Put Humpty Dumpty Back Together Again?

The Cozen Lens

- The fight over the House speakership reveals how the combination of House Republicans' narrow majority and fractious conference prevents them from accomplishing much for the remainder of 2023.
- The threat of the Israel-Gaza hostilities expanding into a broader regional conflict poses risks not just for the US from both a national security and economic perspective but also for President Biden politically.
- Besides high sticker prices and a lack of charging stations, electric vehicles are beginning to face a new risk entirely — becoming the latest battle in the culture wars.

The Minimalist Approach to Governance

Wants vs. Needs. Congress may want to take action on a variety of issues this fall, but as a result of the fight over the speakership, only true must-pass items have a realistic chance of making it over the finish line.

- The House GOP's dysfunction means that there is only hope for getting the bare minimum done in 2023. Any more than that is unrealistic. The House has been without a speaker for an unprecedented three weeks, grinding legislative business to a halt.
- House Republicans need to first address the House's power vacuum before normal operations can resume. The conference rejected, for the time being, the idea of empowering acting Speaker Pro Tempore Patrick McHenry (R-NC) last week, meaning the search for a permanent solution to the leadership dilemma continues.
- Due to the majority's narrow four-seat margin, compromise among GOP factions is essential for getting anything done. This isn't possible amid the divisions that splinter the conference, though, which led to the downfall of the proposal to empower McHenry. This idea could come back around under the right conditions. Without established GOP leadership, ad hoc bipartisan groups (often known as "gangs") could play a role in getting the House operating again, perhaps under a caretaker speaker.

Action-forcing Mechanisms. As a rule of thumb, Congress rarely acts unless forced to by a hard deadline.

- The dynamics in the House are unlikely to change unless lawmakers face a catalyst that forces their hand. The upcoming government funding deadline of November 17th could serve such a purpose. While some conservative hardliners would be willing to see the government shut down, most members would see it as a political loser.
- Another possible catalyst would be an imminent need of aid for Israel or Ukraine. Ignoring a critical US ally, particularly one as politically important as Israel, could be costly for the House GOP. A request for support during Israel's war with Hamas could force the House to get organized and take action. Though Ukraine aid is a contentious topic within the House GOP conference, it continues to enjoy support among a bipartisan majority of lawmakers, particularly Democrats and many Senate Republicans. Senate Minority Leader Mitch McConnell (R-KY), the only GOP leader who can speak for the party on Capitol Hill in the absence of a House speaker, champions Ukraine aid.
- House Republicans could get the chamber back to work by electing a new speaker or, in the event that no candidate can reach 217 votes, by empowering McHenry. Neither option is likely to allow the majority to do more than the minimum approach to governing.



Howard Schweitzer

CEO, Cozen
O'Connor
Public
Strategies

hschweitzer@cozen.com
Phone: (202) 912-4855
Fax: (202) 640-5932

Related Practice Areas

- Government Relations - Cozen O'Connor Public Strategies

What's Next? Deadlines may force Congress to act in the near term, but the long-term federal spending outlook is less clear.

- A continuing resolution (CR) to fund the government past November 17th should be doable. In his ultimately unsuccessful bid for the gavel, House Judiciary Committee Chair Jim Jordan (R-OH) proposed a CR through next April, when scheduled across-the-board cuts will kick in if Congress has not passed full-year FY24 appropriations. If Jordan is on board, the votes should be there in the House GOP conference.
- Similarly, Congress can more easily punt on the Farm Bill and Federal Aviation Administration reauthorization by extending those along with a CR. Israel or Ukraine aid could be another “must-pass” item.
- The House GOP taking a minimalist approach for the time being gives the Biden administration even more power to execute an ambitious executive and regulatory agenda.

What the Israel-Gaza Conflict Means for Biden (and the US)

What the Conflict Means for Biden Personally. President Biden, who prides himself on his foreign policy experience and expertise, showed no reluctance in wading into the latest and most dangerous cycle of violence in the Arab-Israeli conflict in the last 50 years.

- Biden served as the chairman or ranking member of the Senate Foreign Relations Committee for a total of 12 years. This past summer, he boasted, “I think I know as much about American foreign policy as anybody living, including Dr. [Henry] Kissinger.”
- The president regularly likes to recount the story of when he met Prime Minister Golda Meir in 1973 on a congressional delegation to Israel as a 31-year old junior senator and how he always remembers that Meir told him, “We Jews have a secret weapon. We’ve got no place else to go.”
- Biden is often the consoler-in-chief based on his own personal experience with grief. Last week, besides meeting with Prime Minister Benjamin Netanyahu and his war cabinet, he also spent time with Israeli first responders and families directly impacted by Hamas’ horrific terrorist attacks.

What the Conflict Means for Biden Politically. Presidential historian Michael Beschloss explained to Politico last week, “Any president who takes large political risks to get deeply involved in foreign policy may be later rewarded by historians, but not necessarily by the voters of his own time.”

- As the only octogenarian to serve in the Oval Office, President Biden was able to at least briefly dispel concerns about him being the central member of the frail gerontocracy increasingly responsible for running the federal government by jetting into the conflict zone of a country that was first founded when he was almost six years old.
- By demonstrating his unflinching and unmitigated support for Israel, Biden has been able to highlight a political wedge issue between former President Trump, who criticized Netanyahu and called Hezbollah “very smart,” and the rest of the GOP. However, some Democrats are concerned that Biden is also running the risk of alienating those progressives among his political base who feel that the president has not raised enough concerns about the collateral damage Israel’s retaliatory strikes pose to Gazan civilians and infrastructure.
- The president literally demonstrated his “hug Bibi tight” strategy when he landed in Tel Aviv. Biden developed goodwill in the immediate wake of Hamas’ attacks with Netanyahu and the Israeli public at large based on his steadfast support of Israel’s right to defend itself without the same degree of the usual warnings to exercise restraint. In contrast, Netanyahu is in a politically precarious position, with the general expectation that he will be removed from office once the war subsides.
- In his time on the ground with Bibi and other Israeli officials, Biden sought to leverage his newly amassed reservoir of goodwill to limit the scope of Israel’s military response. The biggest concern for Biden politically (and the US geopolitically) is that the conflict expands beyond Gaza and Iran gets more involved, either directly or through its other proxies like Hezbollah. This, however, is where Biden and Netanyahu’s political interests

may diverge as Netanyahu likely understands that once the state of crisis passes, his political career is over, so he may be incentivized to eventually strike Iran as he has repeatedly pushed to do in the past.

What the Conflict Means for the US Geopolitically. Israel is widely viewed in Washington as a critical strategic ally from both a geopolitical perspective and a domestic political one.

- In his primetime address last Thursday evening, Biden sought to frame America's assistance to Israel in the broader context of a global struggle between democracies, on one side, and dictators and terrorists on the other. He used his remarks to preview a request for tens of billions of dollars in additional military and humanitarian aid to both Israel and Ukraine. However, while Israel aid enjoys broad support on both sides of the aisle, providing funding to Ukraine is more controversial within the GOP. Keeping the assistance to Israel and Ukraine linked could slow passage of the Israel aid.
- At this stage, the immediate debate is over how best to package supplemental aid to Israel. But if the scope of the hostilities and combatants expands and draws in Hezbollah and/or Iran directly, the US could find itself *militarily engaged in the conflict* as well as facing significant adverse economic consequences as a result of skyrocketing oil prices.

The Political Costs of EVs.

EV Fines Increase. Republican state lawmakers are seizing on the problem that electric vehicles (EVs) don't pay gas taxes to charge vehicle owners extra to make up the difference.

- At least eight states have imposed annual registration fees of \$200 or more for EVs, seven of them being "red" states. Texas passed a law this session raising the EV registration fee to a one-time \$400 payment with \$200 annual renewals. These fees and taxes selectively target a product that remains comparatively more expensive than its gas-powered competition.
- The proliferation of EVs poses a fiscal problem for federal and state governments (and a political opportunity to take advantage of this fact). Much of the country's federal transit infrastructure is funded by a tax on gasoline that goes to the Highway Trust Fund. Every single state also charges its own gas tax.
- EV owners dodge this cost, creating a larger and larger disjunction between who uses and who pays for the roads. For this reason, even deep blue states like California and Illinois impose higher annual EV registration fees to make up for lost gas tax revenue. But Republicans' motivations are partly practical, partly political.

EV Policy Pushed Into the Spotlight. Even Ford CEO Jim Farley admits EVs "have become a political football" as part of a new battlefield between the left and right.

- Bidenomics is EVs, plain and simple. The administration has made them key to its climate, industrial, and economic policies, and Democrats placed them at the center of massive subsidies in the Inflation Reduction Act (IRA). Both the federal government and blue states have passed increasingly stringent emissions rules with an eye towards making the future of cars green.
- Republicans' strong opposition to the IRA is now expanding into criticism of government support for EVs at all. GOP presidential candidates including Donald Trump have described EVs as a "transition to hell" while Florida Governor Ron DeSantis has promised, if elected president, to "reverse the policies of Biden that's trying to force Americans to buy electric vehicles."
- On the federal level, a key priority of a potential unified Republican Congress and White House in 2025 would be to repeal the IRA's EV tax credits, which would likely be used to pay for other tax cuts the GOP prefers. Full Republican control of the federal government wouldn't necessarily be able to completely repeal the tax credits, however. Legislation introduced by Senators Deb Fischer (R-NE) and John Cornyn (R-TX) this month, which would institute a one-time \$1,000 fee at the point of an EV sale to go to the Highway Trust Fund, might be more likely to pass under a unified Republican Congress and White House than trying to repeal the tax credits directly.

The Politicization of EVs. Perhaps the biggest risk to EVs are not the laws red states pass but the possibility the idea of an electric car could become inexorably associated with just one side of the political spectrum.

- One of Ford CEO Farley's stated reasons for slowing production of its electric pickup truck came in a New York Times interview last week: "Some of the red states say this is just like the vaccine, and it's being shoved down our throat by the government, and we don't want it. I never thought I would see the day when our products were so heavily politicized, but they are."
 - A survey of current ownership finds that for every five Democrats who own an EV, there are just two Republicans who do so. Another April Gallup poll found 71 percent of GOP voters say they would not buy an electric car. The already tricky EV transition faces a massive road bump if half of the country is ideologically opposed to using one.
 - There are many reasons to have hope this political association will unwind. After all, in 2000, a quarter of US adults said they'd never get a smartphone and the economic incentives offered by the federal government to purchase an EV still outweigh the disincentives being imposed primarily by red states. Furthermore, there is also a long way for commercial interest to drop.
-