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To: Craig Quigley
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Ladies & Gentlemen, below please find this week's edition of *Executive Insight Brief* from The Roosevelt Group.

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THE
Roosevelt
GROUP

EXECUTIVE INSIGHT BRIEF – AUGUST 2, 2019

TOP STORIES

Bipartisan Bill Funds Congress for 2 Years

On August 1st, [The U.S. Senate passed the Bipartisan Budget Act](#) (BBA) of 2019. The bill was passed with bipartisan support with a final vote of 67-28. To

make the deal possible, Republicans agreed to raise domestic discretionary spending along with defense spending as requested by Democrats. For their part, Democrats refrained from inserting any “poison pill” language in regards to federal funding of abortion in the Hyde Amendment and accepted increased defense spending. Many fiscal conservatives and former governors, including Sen. Romney and Sen. Paul, voted against the bill on the grounds that the bill spends at an unsustainable level, further adding to the \$22 trillion national debt.

Passage of the BBA will fund the government for two years and avoids the fiscal brinkmanship so often seen in recent years that has resulted in government shutdowns and sequestration.

Deputy Secretary of Defense Confirmed

On Tuesday, [the Senate confirmed David Norquist](#) to be the Deputy Secretary of Defense. Norquist was confirmed just a week after his nomination papers reached the Senate Armed Services Committee (SASC) and six days after his nomination. Norquist was confirmed as the Pentagon’s comptroller in 2017 and has served as acting Deputy Secretary of Defense since the start of 2019. He has drawn praise from senators on both sides of the aisle for his work with the Pentagon’s first audit, and early this year started seeing vocal support from SASC chairman Jim Inhofe, R-Okla., who pushed the White House to formally nominate Norquist. With Norquist's confirmation secured, [his deputy, Elaine McCusker, is expected to assume the role](#) of acting comptroller until President Donald Trump nominates someone for the position.

New Tariffs

Through a series of tweets on Thursday, Trump announced another round of tariffs on roughly [\\$300 billion](#) worth of Chinese goods that are not already

targeted by American levies. This round of tariffs is set to take effect on September 1st of this year. The move breaks the momentary truce between Washington and Beijing, prompting a rippling wave of uncertainty to fall over global markets. The Dow Jones Industrial Average closed 280.85 points lower on Thursday. China's foreign ministry spokesperson, Hua Chunying, stated at a daily press briefing that Beijing would have to deploy [countermeasures](#) if the U.S. was actually committed to putting more tariffs on Chinese goods. This is not a good sign for easing tensions between the two global economic titans.

Iran Update

U.S. Sanctions Iran's Foreign Minister Mohammad Javad Zarif

The U.S. Department of the Treasury announced the [imposition of sanctions against Iranian Foreign Minister](#) Mohammad Javad Zarif this week. These sanctions will freeze any assets that Zarif may have in America, the department said. Mr. Zarif tweeted to the U.S. thanking them "for considering me such a huge threat to your agenda." The U.S. responded by saying that "The United States is sending a clear message to the Iranian regime that its recent behavior is completely unacceptable." Moreover, the U.S. added "while the Iranian regime denies Iranian citizens access to social media, Foreign Minister Javad Zarif spreads the regime's propaganda and disinformation around the world through these mediums." Tensions in the region have declined steadily in recent months.

UK Rejects Iran Tanker Swap

British officials reported that [they are not interested in swapping the British tanker Stena Impero](#), which Iran seized going through the Strait of Hormuz last week, with an Iranian oil tanker the British seized earlier in July near Gibraltar.

British Foreign Secretary Dominic Raab said “We are not going to barter a ship that was detained legally with a ship that was detained illegally: that’s not the way that Iran will come in from the cold.” The British Navy seized the Iranian oil tanker, claiming it was violating sanctions against Syria, while Tehran has claimed that its seizure of the Stena Impero was due to its efforts to secure the Strait of Hormuz. However, after Iranian President Hassan Rouhani hinted that they would be willing to swap the Stena Impero for the seized Iranian oil tanker, many believe that the seizure of the Stena Impero was done merely as a response to the British seizure of their oil tanker.

The UK invited military representatives of the U.S., France, and other European countries to a meeting in Bahrain on Wednesday in an attempt [to create an international mission to safeguard shipping](#) through the Strait of Hormuz. Britain hopes it can act as a bridge between the U.S.—which has the largest military presence of any western nation in the region—and countries like Germany, which is reluctant to get involved in any mission led by Washington.

Military Technology Update

Northrop Grumman and Raytheon Compete for Laser Weapon Contract

The Pentagon announced on Thursday that both [Raytheon and Northrop Grumman were awarded](#) contracts to develop a 50-kilowatt-class laser weapon for Stryker combat vehicles. The weapon would be utilized in the Short-Range Air Defense (SHORAD) mission and will protect combat teams from all types of danger, including mortars, unmanned aircraft, and helicopters. Raytheon and Northrop will develop the weapons as subcontractors of Kord Technologies, who entered into a \$203 million contract with the Rapid Capabilities and Critical Technologies Office of the U.S. military. Lt. General L. Neil Thurgood, the

director of hypersonics, directed energy, space and rapid acquisitions for the U.S. Army, acknowledged the need for directed energy lasers as part of the Army's modernization program.

Boeing to Not Compete for New ICBM's

[Boeing said Thursday that it would not bid](#) on what could be an \$85 billion contract to build new nuclear-tipped intercontinental ballistic missiles, claiming the Air Force criteria for the bid favors Northrop Grumman. Northrop is the only other company competing for the contract to date. The project, which has been named Ground Based Strategic Deterrent program, aims to counter Russia's recent nuclear advances and will replace the Cold War-era Minuteman III missiles. Although details are unclear given the highly classified nature of the project, the Air Force has announced it will award the contract by the end of fiscal year 2020. While some analysts contend that the bidding process does favor Northrop, it is highly unusual for a contract of this capacity to not be competitively bid.

North Korea Tests Ballistic Missiles

[North Korea launched short-range ballistic missiles](#) off its eastern coast and into the sea twice on Friday. This is the third incident of North Korean missile tests in just over a week. The increased missile activity is intended to increase pressure on the U.S. and South Korea over stalled nuclear negotiations and to respond to U.S. and South Korea military exercises in the region. The tests [come in spite of Trump's June 30th meeting with Kim Jong Un](#) where they agreed to revive nuclear talks. President Trump has said that North Korea's testing has not violated their agreement, pointing out that the missiles tested were short-range ballistic missiles saying "We never made an agreement on that. I have no problem." While President Trump says he never made an

agreement on short-range missiles, the 15-member United Nations Security Council unanimously demanded in 2006 that North Korea suspend all activities related to its ballistic missile program and “re-establish its pre-existing commitments to a moratorium on missile launching.” Representatives of Britain, France and Germany urged North Korea to engage in meaningful talks with the United States and said international sanctions need to be fully enforced until Pyongyang has dismantled its nuclear and ballistic missile programs.

Withdrawal from INF treaty

The United States [formally withdrew from the 1987 Intermediate Range Nuclear Forces Treaty](#) this week. The withdrawal came after months of unsuccessful negotiations between Moscow and Washington in which the U.S. and NATO allies attempted to restore the legitimacy of the treaty in response to supposed Russian noncompliance. Since at least 2014, the U.S. has blamed Russia for flagrant treaty violations leading President Trump to warn of withdrawal in his February State of the Union Address. Secretary of State Mike Pompeo stated that “The United States will not remain party to a treaty that is deliberately violated by Russia.” The treaty is credited with helping destroy 2,692 missiles and staving off decades of nuclear brinkmanship.

Osama bin Laden’s Son Dead?

[Hamza bin Laden, a son of Osama bin Laden, is thought to be dead](#). The details surrounding the younger bin Laden’s death are scarce but it is believed the U.S. played a role in the operation. While Hamza bin Laden’s position within the al-Qaeda leadership network is also unclear, he had made previous threats against the U.S. and is believed to have been groomed to eventually take over as leader of his father’s organization. According to reports, bin Laden’s death

occurred in the first two years of President Trump's administration, however the CIA and State Department have been unable to confirm this fact until now. In February, the State Department offered a \$1 million reward for information about bin Laden's whereabouts, suggesting as recently as 2019 that the U.S. intelligence community was unsure of his condition. Although the supposed death of Hamza bin Laden does very little to affect the limited operational capability of al-Qaeda, his death represents an ideological blow to al-Qaeda's aspirations of appealing to the younger generation.

Air Force Ceases Operations to Address Mental Health Issues

The [Air Force has announced a one day tactical pause of operations](#) to occur sometime in the next 45 days in order to address growing concerns about the mental health of the nation's Airmen. So far in 2019, 78 Airmen have taken their own lives, nearly a 30% increase over the 2018 total, itself a record breaking year. Air Force Chief Master Sergeant Kaleth O. Wright stated that "This is [the] beginning of a much-needed dialogue between Airmen, command teams, helping agencies and, frankly, our entire Air Force. We have to get this thing turned around." It is unclear what the date of the pause will be, but Air Force officials are encouraging personnel to take advantage of all support networks available.

Navy SEALs

Vice-Admiral Mike Gilday, nominee to be the Navy's next Chief of Naval Operations, [promised to "quickly and firmly" deal with any leadership failures among his service's special operations forces](#) in the wake of a series of embarrassing scandals for the elite Sailors. Last week, Special Operations Command officials in Iraq booted a SEAL platoon from there after accusations

surfaced involving drinking, fraternization and sexual assault among its members. Days later, a member of SEAL Team 6 was charged with soliciting nude photos of women while impersonating other people. This report comes amid two high-profile trials for Navy SEAL Edward Gallagher, who was found not guilty in connection with the stabbing death of an Iraqi detainee, and Tony DeDolph, who goes on trial next week in connection with the hazing death of a Green Beret two years ago. In a Senate hearing Gilday told lawmakers, “I’m committed to the idea that we need to treat people with dignity and respect...Physical violence, sexual assault have no place in the Navy.”

Amid the SEAL controversy, Naval Special Warfare Command leader [Rear Admiral Collin Green has given commanders until August 7 to identify problems in their unit and propose solutions](#) for out-of-control SEAL teams. Green wrote a letter to his unit stating explicitly “We have a problem. I don’t know yet if we have a culture problem. I do know that we have a good order and discipline problem that must be addressed immediately.” Special-operations platoons have been on almost constant deployment over the past two decades, and the physical demands and psychological stress of their work might have contributed to behavioral and mental-health issues.

QUICK HITS

Crash in Death Valley

A Navy [F/A-18E jet crashed in Death Valley](#) National Park on Wednesday, killing the pilot and injuring seven people who were at an overlook where aviation enthusiasts can observe military pilots speeding low through a chasm dubbed Star Wars Canyon. The Super Hornet was conducting low altitude training maneuvers when it slammed into the canyon. All seven injuries were

reported as minor, and the identity of the pilot has not yet been released.

Mass Shooting

The state of California was rocked with tragedy on Monday after [a gunman opened fire at the Gilroy Garlic Festival](#) in Northern California. Three people were killed including two children—a 6 year-old boy and a 13 year-old girl—and a 20 year-old man. The gunman was armed with an AK-47 purchased legally in Nevada. Police shot and killed the gunman soon after he opened fire at the festival. "This is nothing short of horrific," California Gov. Gavin Newsom tweeted Sunday. "Tonight, California stands with the Gilroy community. My office is monitoring the situation closely. Grateful for the law enforcement's efforts and their continued work as this situation develops."

Fed Cuts Interest Rates

[The Federal Reserve announced Wednesday that it would cut interest rates](#) for the first time since the 2008 financial crisis in a bid to sustain roughly 10 years of economic expansion. President Trump was not satisfied with the cut, stating that he hoped for a much larger cut. Chairman Powell indicated that the current economic slowdown is at least partially a result of U.S. trade spats with the world, and especially China. Powell also stated that the U.S. economic outlook is still strong, but that there are some concerns about stagnant inflation and reduced business investment. The cost of borrowing was reduced by .25% and now rests between 2.0% and 2.25%.

Dan Coats Resigns

The Director of National Intelligence, [Dan Coats, resigned this week](#) after two years on the job. The former Indiana senator and Ambassador to Germany often sparred with President Trump on a number of issues, but most notably in regards to 2016 Russian election meddling. In July 2018, only one day after

President Trump withdrew his endorsement of the intelligence community consensus that Russia interfered, Coats issued a memo essentially rebuking the President and reaffirming the consensus. Texas Republican, John Ratcliffe, was expected to receive President Trump's nomination to be the next DNI, but because of concerns about his very limited intelligence background and outspoken partisanship, he will no longer seek the nomination.

This Day in History

216 B.C.

The Carthaginian General Hannibal Barca and his forces crush Roman legions at the Battle of Cannae. Hannibal's brilliant maneuvering on the battlefield would earn him notoriety in history as a military mastermind, as the double envelopment tactics used at Cannae would be studied for centuries to come.

47 B.C.

Caesar defeats Pharnaces at the Battle of Zela in modern-day Syria, where he famously declared "Veni, Vidi, Vici", Latin for "I came, I saw, I conquered."

1610

English explorer Henry Hudson discovers what is known today as the Hudson Bay in modern-day Canada.

1790

The United States government issues the first census, enumerating a population of almost 4 million citizens.

1798

Famed British Admiral Horatio Nelson defeated French Naval forces at the Battle of the Nile, further weakening French naval capabilities following Napoleon's offensive in Egypt.

1802

The French government crowns Napoleon Bonaparte as Consul for Life.

1858

Rule of colonies in India is transferred to the British Crown from the East India Company, thus cementing British imperial rule in India for the next 85 years.

1914

World War 1 officially starts. On August 2nd, 1914, the German government issued an ultimatum to Russia ordering their forces to stand down, simultaneously invading Luxembourg. When Russia refused the German demands, Germany declared war. In response to Germany's declaration against Russia, France ordered full mobilization to combat German aggression. Thus began the most destructive war of all time.

1934

Hitler became the Chancellor of Germany following the death of German President Paul von Hindenburg, the last major obstacle in Hitler's quest for total control of the German government.

1943

Lieutenant John F. Kennedy's vessel, the PT-109, is split in half and sunk by a Japanese destroyer in the Solomon Islands. Kennedy survived the accident and, while towing a wounded Sailor behind him, swam to a nearby island and was rescued. For his heroics, Kennedy was awarded the Navy and Marine

Corps Medal as well as the Purple Heart.

1945

The surviving members of the crew of the USS Indianapolis are rescued. During a secret mission in the South Pacific, the USS Indianapolis was sunk by a Japanese submarine on July 30th. Of the roughly 1,100 man crew, only 300 would survive the three days adrift at sea following the sinking, with many falling victim to dehydration and shark attacks.

1945

The Potsdam Conference concluded. The meeting between Winston Churchill, Joseph Stalin, and Harry S. Truman would dictate the future of post-war Germany and set the stage for the geopolitics of the next fifty years.

1950

The First Provisional Marine Brigade arrives in Korea, starting full-scale involvement of US forces on the Korean Peninsula against the North Korean invasion of their southern neighbors.

1964

The USS Maddox, an American destroyer, is reportedly attacked by North Vietnamese speedboats in the Gulf of Tonkin. The legitimacy of such an attack has been disputed since, however the consequences would be far reaching.

Riding the tides of war, the U.S. Congress passed the Gulf of Tonkin Resolution as a result, giving President Lyndon B. Johnson the power to use direct US military force in Vietnam.

1990

Iraqi military forces, under the command of Saddam Hussein, invade Kuwait. This started the seven-month long Iraqi occupation of Kuwait, culminating in the resounding victory of worldwide coalition forces against the Iraqi military in the Gulf War.

Look Ahead

Monday, August 5

8:15 AM EDT

Meeting: National Science Foundation

Topic: NSF Computing Research and Development

Location: NITRD NCO, 490 L'Enfant Plaza SW

10:00 AM EDT

Meeting: Defense Department; Office of the Secretary

Topic: National Defense University Leadership

Location: National Defense University, 300 Fifth Avenue SW, Marshall Hall,
Building 62, Fort McNair

6:45 PM EDT

Event: The Hiroshima/Nagasaki Peace Committee of the National Capitol Area

Topic: Foreign Affairs

Location: St. Stephen's & the Incarnation Church, 1525 Newton St.

Tuesday, August 6

8:00 AM EDT

Meeting: Veterans Affairs Department
Topic: Veterans Health Research
Location: 20 F Conference Center, 20 F St. NW

8:00 AM EDT

Symposium: The National Defense Industrial Association
Topic: Defense
Location: Bethesda North Marriott, 5701 Marinelli Road, Bethesda, Md.

8:30 AM EDT

Meeting: National Science Foundation
Topic: NSF Computing Research and Development
Location: NITRD NCO, 490 L'Enfant Plaza SW

9:00 AM EDT

Meeting: Defense Department; Office of the Secretary
Topic: Defense Health Board Updates
Location: Defense Health Headquarters, 7700 Arlington Boulevard, Pavilion
Salons B and C, Falls Church, Va.

9:00 AM EDT

Meeting: Health and Human Services Department
Topic: HHS Mortality Metrics
Location: HHS, 200 Independence Avenue SW, Room 705-A

Wednesday, August 7

8:00 AM EDT

Meeting: Veterans Affairs Department

Topic: Veterans Health Research
Location: 20 F Conference Center, 20 F St. NW

8:00 AM EDT

Symposium: The National Defense Industrial Association

Topic: Defense

Location: Bethesda North Marriott, 5701 Marinelli Road, Bethesda, Md.

8:30 AM EDT

Meeting: Health and Human Services Department

Topic: HHS Mortality Metrics

Location: HHS, 200 Independence Avenue SW, Room 705-A

9:30 AM EDT

Discussion: The Air Force Association's Mitchell Institute for Aerospace Studies

Topic: Defense

Location: AFA, 1501 Lee Highway, Fourth Floor Boardroom, Arlington, Va.

Thursday, August 8

8:00 AM EDT

Symposium: The National Defense Industrial Association

Topic: Defense

Location: Bethesda North Marriott, 5701 Marinelli Road, Bethesda, Md.

8:00 AM EDT

Meeting: Veterans Affairs Department

Topic: Veterans Health Research

Location: 20 F Conference Center, 20 F St. NW

8:00 AM EDT

Meeting: Health and Human Services Department; Health Resources and
Services Administration

Topic: Primary Care Medicine/ Dentistry Training

Location: 5600 Fishers Lane, Rockville, Md.

8:30 AM EDT

Meeting: Veterans Affairs Department

Topic: Women Veterans Health

Location: 810 Vermont Avenue NW, Room C-7

Friday, August 9

8:00 AM EDT

Meeting: Veterans Affairs Department

Topic: Veterans Health Research

Location: 20 F Conference Center, 20 F St. NW

8:30 AM EDT

Meeting: Veterans Affairs Department

Topic: Women Veterans Health

Location: 810 Vermont Avenue NW, Room C-7

8:30 AM EDT

Forum: The Mitchell Institute for Aerospace Studies

Topic: Defense

Location: Capitol Hill Club, 300 First St. SE

Have a great weekend!

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