

Cozen Currents: Misery Loves Company

The Cozen Lens

- The election of House Speaker Mike Johnson (R-LA) has set off a fight within the House Republican conference as members from different factions jockey to become the affable new speaker's influential allies.
- The Biden administration deepened its focus on regulating AI with the release of a comprehensive executive order last week and is asserting a leadership role in the global response to the emerging technology.
- California Governor Gavin Newsom (D) continues his media blitz to establish a national profile as his presidential plans, if any, have subtly shifted from 2024 to 2028. In trying to set himself up as the next leader of the party, he acts as a revealing proxy for what Democrats care about and where they stand.

The Battle for Speaker Johnson's Heart and Soul

Voices in Johnson's Head. House Speaker Mike Johnson's (R-LA) first task of getting elected has been accomplished, but as he moves into the real guts of governing, different factions in the House GOP conference are vying for the speaker's ear.

- Johnson does not have a well-defined set of allies, but he also does not have any notable enemies, with all House Republicans quick to describe him as personable. In this vacuum, two primary camps are trying to befriend Johnson. One led by House Majority Leader Steve Scalise (R-LA) and the other headed by ousted Speaker Kevin McCarthy (R-CA) and Rep. Jim Jordan (R-OH).
- It is too early to know which group may end up closer to Johnson, but many of his first actions and remarks will be seen through the prism of aligning more with one than the other. However, it's not necessarily a binary outcome where once Johnson advances one camp's priority, the other should be presumed defeated. Constant flip-flopping between factions though could become more frustrating to both sides than sticking consistently to one.
- How much influence either of these camps may have depends on Johnson's willingness to let them in. This includes the impact that these groups could have on the process of governing as the new speaker leans on them to help with the practicalities of day-to-day operations and is willing to acknowledge what he does not know.

Born on the Bayou. Scalise is an obvious ally for Johnson as a fellow Louisianian and leadership member who is in a position to provide significant governing aid to Johnson.

- As the majority leader, Scalise can effectively run the floor for Johnson while the new speaker gets his sea legs. Johnson has laid out an ambitious schedule to vote on the remaining FY24 appropriations bills, and having an experienced hand at his side will be useful to ensure a smooth transition.
- Johnson will likely lean on Scalise's staff while the new speaker works to build up his own office. This could provide a window for Scalise to have the inside track to influence Johnson in the early debates and net legislative wins. This, in turn, could increase Scalise's power in the conference despite his bid for the speakership being effectively blocked by McCarthy and Jordan.

A Partnership of Convenience. The other group that will try to get Johnson's ear is the odd alliance that has formed between McCarthy and Jordan over this past year.

- For Jordan and the House Freedom Caucus (HFC), many see Johnson as an ideologically



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aligned speaker, with some even calling him “MAGA Mike.” Members of this group have described a level of “trust” with Johnson that did not exist with McCarthy before. How far this trust goes may depend on whether it can turn into early policy wins for these ultra-conservatives.

- While not aligned on policy with the HFC, for McCarthy, this is a chance to re-empower himself within the caucus and to counteract Scalise’s influence. The alliance with Jordan may not be the most stable, but it has proven reliable thus far. McCarthy will also have an avenue to influence Johnson between his fundraising prowess and providing former staffers who possess an institutional knowledge difficult to replicate, especially on Johnson’s policy team where most McCarthy staffers are expected to be retained.

DC Generates AI Regulation

AI Executive Order. President Biden signed a long-awaited executive order (EO) on artificial intelligence (AI) last week, his biggest step yet toward regulating the emerging technology.

- Biden’s EO builds on the White House’s previous approach to this emerging technology, which focused largely on nonbinding guidance and best practice standards. In remarks on AI, Biden called the EO “the most significant action any government anywhere in the world has ever taken on AI safety, security, and trust.” The EO addresses AI risks through new rules, standards, and guidance, but in a show of support to AI innovation, it does not go so far as to enact a lot of new binding regulations.
- The EO includes two major new regulations for industry. It mandates that the companies producing the most powerful foundational AI models that present risks for national security, the economy, or public health notify the federal government when training them and report on red-team testing. It also directs the Commerce Department to develop rules to require that large cloud providers notify the federal government when foreign nationals use their services to train large AI models that could be used for malign intent.
- Other provisions include strengthened cybersecurity review standards, steps to boost privacy and transparency protections, and the development of standards for watermarking AI-generated content. The EO also targets discrimination in consumer finance associated with the use of AI and seeks to combat synthetic content, also known as “deepfakes”.

Government Procurement. The White House Office of Management and Budget (OMB) released guidance on federal use of AI which could ultimately have a wider impact on private industry.

- OMB last week issued [specific draft policy guidance](#) for federal agencies focused on AI governance, responsible AI innovation, and AI risk management. The guidance directs agencies to designate chief AI officers and AI Governance Boards, expands their AI reporting requirements, requires agencies to craft AI strategies, and facilitates AI use. It also directs agencies to enact safeguards for Americans’ rights. These rules will apply only to federal agencies but could set norms and provide a template for broader AI regulation for the private sector in the future.
- OMB also developed a set of recommendations for risk management in federal procurement of AI. These include alignment of an AI tool with US values and federal law, transparency and acceptable performance of AI systems, promoting competition, and sufficient data protections and rights to data. There are also specific guidelines for generative AI including requirements for testing and safeguards and the capability to mark content as AI-generated.
- OMB’s procurement recommendations could ultimately set de facto national standards due to the government’s market power as a major customer of AI systems. This gives the Biden administration a “backdoor” means of regulating the development of the technology.

Global AI Leadership. While much has happened the last two weeks in federal AI policy, the White House is also making a bid to lead the international response to AI.

- The release of the EO two days before the start of the United Kingdom’s AI Safety Summit held last week was also intended to re-assert US leadership over AI governance globally. The United States has lagged behind Europe in some areas of tech regulation, - some of which is by design - and this EO is an indication that Biden wants the US to be at the forefront of this issue.

- Vice President Harris represented the Biden administration at the summit, where participants signed the **Bletchley Declaration**, a global agreement to cooperate in promoting safe and trustworthy AI. Top AI companies also **agreed** to cooperate with governments in testing frontier models before making them available to the public.
- The White House **announced** additional steps to take on the mantle of global AI leadership in conjunction with Harris' visit to the UK and the summit. These actions include enlisting other countries to join the administration's Political Declaration on the Responsible Military Use of Artificial Intelligence and Autonomy, a \$200 million philanthropic initiative to fund AI in the public interest, a call for international norms on AI content authentication, and an international pledge for responsible government AI.

Newsom Plays the Long Game

If You Can't Beat Him, Wait. Governor Gavin Newsom (D-CA) made moves to be at the front of the line if President Biden didn't run for reelection but has retooled himself towards looking to 2028.

- Presidential speculation is nothing new for Newsom. But all that talk reached a fever pitch last year as the governor engaged in conspicuous activities: making international trips and agreements, criticizing his party, fighting Republicans, and generally making his presence felt.
- All of this was enough for some observers to think that the moves Newsom was making amounted to a shadow presidential campaign. Bidenworld went on high alert and relations were poor between the two. Newsom criticized the national party's strategy, drawing rare internal rebuke, and Biden **jabbed** Newsom on a state bill that the latter wasn't 100 percent sold on.
- Following re-election though, Newsom assured the White House he wouldn't run for president in 2024, and the result has been a **budding bromance**. Newsom has been the administration's top attack dog and raised money for the president. The two are backing each other and **coordinating** on passing policy together.

On the Backburner. That said, some of Newsom's recent activities suggest his ambitions have been delayed, not scrapped. In doing so, he reveals where exactly he – and his party – is.

- The Democratic Party has a **deep bench** of governors some suggested should step forward in lieu of Biden in 2024. Examples include Governors Gretchen Whitmer (D-MI), JB Pritzker (D-IL), Roy Cooper (D-NC), and Jared Polis (D-CO). The governor's mansion is one of the most common stepping stones to the **presidency** and becomes especially emphasized in times of federal distrust.
- Newsom is using his position as governor of the biggest (blue) state to establish his progressive bona fides and frame the discussion on national policy. Perhaps nowhere is that as clear as his actions on climate, where he coupled **\$53 billion** in relevant spending with a carbon neutrality goal of 2045 last year. This is on top of first-in-the-nation emissions disclosure requirements and emissions standards other states can sign onto that ban the sale of new gasoline sales by 2035.
- Other attention-getting moves include suing Big Oil, declaring California a sanctuary state for women seeking abortions and transgender children seeking treatment, taking on Walgreens for declining to dispense abortion pills, and selecting LGBT African American woman and union organizer Laphonza Butler to fill the late Dianne Feinstein's Senate seat. Newsom's choice to take on Governor Ron DeSantis (R-FL) in a televised **debate**, willingness to go on **Truth Social**, and general willingness to go on **offense** indicates the establishment of an assertive, proud fighter.

Just a Bit of Hand-waving. Even if the choice to go for 2028 sets up Newsom in a better position, it doesn't guarantee his success.

- The highest-ranking Californian – Vice President Harris – would be Newsom's new opponent in pivoting from this cycle to the next. A Biden win in 2024 would likely push back his dreams even further. That would mean come 2028, Harris would either be a two-time vice president aiming for the top job, or, in the chance Biden steps down early, a pseudo-incumbent President Harris seeking reelection.

- Newsom would only be a sprightly looking 65 (next to Biden's current 80) if he pushed his plans back another four years to 2032, but he would have left the governor's mansion six whole years prior by that point. 2028 would be an especially good time to make a bid, given Newsom's term-limited office ends in 2026, and regardless of whether Biden wins or loses next year, there will not be a Democratic incumbent as long as Biden doesn't bow out early if he wins a second term.
 - Timing issues aside, Newsom faces political risk going into the future. California faces a large deficit, disproportionate homelessness, a high cost of housing and living in general, and the specter of a declining population. With the state serving as a common conservative foil, association with the supposed excesses of the left could dampen his reach to voters firmly outside of the Democratic establishment.
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