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Subject: Executive Insight Brief
Date: Friday, July 17, 2026 8:29:02 PM

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July 17, 2026

Executive Insight Brief

Stay informed with The Roosevelt Group's Executive Insight Brief—your weekly roundup of key developments shaping federal policy, defense, and homeland security. Curated by our expert team, each issue delivers timely analysis and strategic context to help you stay ahead.

Notable Headlines

‘I wouldn’t call it panic’: Industry quails at Hochul’s data center pause

White House Launches Gold Eagle Initiative for Unprecedented Cybersecurity Vulnerability Coordination

Trump’s $1.5T defense budget is in trouble

Iran says civilian infrastructure hit by latest U.S. strikes, expands attacks to Syria, Bahrain

Space Force faces budget uncertainty as leader plans exit next month

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View From The Hill

The week on Capitol Hill was defined by loss, as lawmakers returned to Washington in the wake of Senator Lindsey Graham's (R-SC) sudden death. The four-term Senator, Budget Committee Chairman, foreign policy hawk, and close ally of President Trump, **passed away Saturday** night at the age of 71 after returning from a trip to Ukraine. Graham was remembered by colleagues on both sides of the aisle as one of the Senate's most consequential voices on defense and national security. His sister, Darline Graham Nordone, has been **appointed** by South Carolina Governor Henry McMaster to assume his office and its powers under the circumstances of his passing.

Senator Graham's passing comes during a fractious debate over the war in Iran, which has increasingly consumed the legislative agenda. For the second time, Senate Democrats **blocked** the fiscal year 2027 National Defense Authorization Act from advancing. The Senate voted along party lines 50-46 to deny the roughly $1.15 trillion authorizing measure. Democrats framed the vote as a referendum on the Iran conflict, which the White House says it may continue to prosecute without fresh congressional authorization. Critics also **cited** provisions that would more closely integrate the U.S. and Israeli militaries.

In the House, Speaker Mike Johnson (R-LA) finally **broke** a conservative blockade that had brought the House floor to a near-standstill for the better part of a month. The chamber cleared a procedural vote 215-211, unlocking action on the State Department appropriations bill, the daylight saving measure, and veterans' legislation. Speaker Johnson won over holdout Rep. Anna Paulina Luna (R-FL) by agreeing to add the SAVE America Act to the national security funding bill. Further, members of the House Freedom Caucus relented after securing a commitment for a committee markup on a border and immigration bill they had long demanded.

One of the first tests of the newly unfrozen floor exposed the strains within the Democratic

caucus over Israel. An amendment offered by Rep. Thomas Massie (R-KY) to end the $3.3 billion in annual U.S. military aid to Israel was **defeated** 314-104. While the measure fell short, 103 Democrats joined a single Republican in support. The tally represents a dramatic break from the era of near-unanimous congressional backing for Israel and a **reflection** of the Democratic Party's deepening divide over Israel's Prime Minister Benjamin Netanyahu's war strategy.

For the first time since 2019, sitting members of the Supreme Court appeared on Capitol Hill. Justices Elena Kagan and Amy Coney Barrett **testified** before House appropriators in defense of the high court's fiscal year 2027 budget request. The court is **seeking** $228.4 million, a nearly ten percent increase over current levels. The expanded request is driven largely by security costs amid a sharp rise in threats against the judiciary. Justice Barrett told the subcommittee that the threat level against her and her colleagues "is really high," **recounting** a recent swatting attempt at her home and an episode in which court security issued her a bulletproof vest. While the hearing's stated subject was the budget, the Justices fielded questions touching on the court's recently concluded term.

Wrapping up the week, House Republicans released a budget resolution for a $95 billion “Reconciliation 3.0” package developed with the White House. The resolution directs four committees to draft budget reconciliation legislation: House Administration ($10 billion for the SAVE America Act), House Armed Services ($60 billion for defense), House Intelligence ($13 billion for defense and Iran-related priorities), and House Agriculture ($12 billion for farm aid). On July 16, the House Budget Committee approved the resolution on a party-line 20-14 vote, the first step in the budget reconciliation process.

Pentagon News

Ukraine's Unmanned Systems Forces (SBS) has opened a new phase of its maritime drone campaign, claiming to have struck **116 Russian vessels** in the Sea of Azov over the past nine days. The Sea of Azov has two critical chokepoints for shipping: the Don-Azov Channel which connects the sea to Russian inland waterways, and the Kerch Strait, which links Russian shipping to the Black Sea. SBS Commander Robert Brovdi issued the threat after 20 Russian vessels were hit in the Sea of Azov overnight Tuesday, coinciding with the **Ukrainian Statehood Day**. Subsequently, Moscow **accused** Kyiv of terrorism over the risk to commercial shipping. A Ukrainian military source **countered** that the Armed Forces "strike only military targets or targets that contribute to strengthening Russia's combat capability."

The new Ukrainian drone campaign has been branded with the slogan "Moscow Will Fall Through Crimea." Strike locations were deliberate, as Crimea, annexed by Russia in 2014, is adjacent to the Azov shipping route, which Russia's **shadow fleet** has relied on to move sanctioned goods. While the shadow fleet is notorious for shipping crude oil, restrictions on passage through the Kerch Strait will have a global impact on grain prices. Andrey Sizov, a leading expert on Black Sea agricultural exports, **wrote**, “The Black Sea for (the) wheat market is similar to what the Persian Gulf means for the crude market,” likening the potential impacts to those caused by the blockade of the Strait of Hormuz.

Ukraine's low-cost drone fleet can now threaten targets well beyond its borders. It's another data point in a broader trend: cheap, distributed drone systems are imposing real costs on a much larger conventional force. This also comes as Ukrainian President Volodymyr Zelenskyy **removed** the popular Defense Minister, Mykhaylo Fedorov, amidst disagreements between Fedorov and Ukraine’s military hierarchy. Fedorov gained notoriety for his rapid modernization of Ukrainian military technology and drone usage within his six-month tenure. His dismissal has resulted in protests among Ukrainian citizens, creating uncertainty regarding the future of drone strikes and technological implementation in the Ukrainian Armed Forces.

As conflict disrupts global transit points in Eastern Europe, a separate battle over energy security is unfolding in the Oval Office.

With a massive pipeline deal on the table and tensions with Iran looming, President Donald Trump welcomed Iraq’s new prime minister (PM), Ali al-Zaidi, to the White House on Tuesday. Al-Zaidi was sworn in during May following months of political deadlock after Iraq’s parliamentary elections. Before entering politics, he built a massive business empire through state contracts, holding positions at various companies and banks. After the results of the election were declared, President Trump expressed his excitement and stated that he had endorsed PM al-Zaidi throughout the election. “This man is going to be a great leader in the Middle East, beyond Iraq. His influence is going to spread all throughout the Middle East”, **remarked** President Trump in the Oval Office. The two most important topics of conversation between the two leaders were oil and the U.S. conflict with Iran. The Iraqi government is **expected** to sign a deal with two U.S. companies to establish an oil pipeline connecting Iraq to maritime ports in Turkey and Syria, which will help streamline energy transit while the Strait of Hormuz remains under threat.

President Trump’s meeting with PM al-Zaidi demonstrates the growing importance of Iraq for U.S. security. Iraq is stuck in the crossfire of the U.S.-Iran conflict, serving as the most volatile proxy battleground for Washington and Tehran. On one side, the United States is leveraging heavy financial and political influence to force Iraq to disarm Tehran-backed militias and decouple from Iranian energy. On the other side, Iran remains determined to defend its position, using its entrenched network of proxy groups and political allies to resist American influence. By welcoming PM al-Zaidi to the Oval Office, President Trump

sent a clear signal that Washington views the new prime minister as a crucial partner in pushing back against Tehran. President Trump also has his eyes on Iraq's oil reserves, which would be highly advantageous for U.S. companies. As the conflict between the U.S. and Iran continues, pressure on Iraq is only going to increase. To keep Iraq out of a destructive war, PM al-Zaidi must strike a delicate balance: appeasing the U.S. by cracking down on militias, while avoiding conflict with Iran.

Beyond securing its strategic interests overseas, the U.S. is launching new domestic initiatives to guarantee independence in its critical supply chains.

The Department of War's Office of Strategic Capital (OSC) announced the creation of the **National Security Fund Finance** (NSFF) program, which seeks to provide capital support to credit funds addressing shortages and vulnerabilities for essential critical minerals. One of **OSC's missions** is to advance the procurement of critical minerals by providing direct loans and other financial tools and the NSFF program will act as the financing answer. Under the program, investment fund managers will merge private capital with loans from the NSFF program and OSC to back portfolio companies tackling critical mineral and material shortfalls. Under Secretary of War for Research and Engineering Emil Michael stated that "The Office of Strategic Capital's NSFF program represents another tool that will establish true U.S. independence in the critical minerals supply chain."

Critical minerals are a crucial component of the U.S. defense industrial base, as they are essential in the production of numerous integral products from fighter jets to submarines to unmanned aerial systems. U.S. efforts to secure these materials have been repeatedly challenged by Chinese export bans and similar restrictions imposed by adversarial nations. In addition to external factors, the U.S. lacks sufficient labor and training to secure such resources. The NSSF program provides American companies with an incentive to address the critical mineral shortage by providing the necessary financial resources.

Next Week's Hearings

Armed Services Committee

House of Representatives

- NONE

Senate

- NONE

Appropriations Committee

House of Representatives

- 7/22, 10:00 AM - To examine funding lapses and analyze shutdown reform.

Senate

- 7/21, 10:00 AM - To examine a review of the President's supplemental funding request of June 24, 2026.

Homeland Security Committee

House of Representatives

- NONE

Senate

- 7/22, 9:30 AM - To consider the nominations of:
    - Hal Duncan, of Texas, to be Deputy Director of the Office of Management and Budget,
    - Brian Cavanaugh, of Maryland, to be Under Secretary for Management,
    - Cameron Hamilton, of Virginia, to be Administrator of the Federal Emergency Management Agency, both of the Department of Homeland Security,
    - Charles Baldis, of Virginia, to be Special Counsel, Office of Special Counsel,
    - Bradford Pentony Wilson, of New Jersey, to be Archivist of the United States,
    - Jeffrey Brodsky, and William Gallo, of Florida, both to be a Governor of the United States Postal Service,
    - James Woodruff, of Florida, to be Chairman of the Merit Systems Protection Board,
    - Charlton Allen, of North Carolina, to be General Counsel of the Federal Labor Relations Authority,
    - James Andrew Crowell IV, and Stuart Gordon Nash, both to be an Associate Judge of the District of Columbia Court of Appeals, and
    - Christopher Michael De Bono, Michael Christopher DiLorenzo, Sharon E. Goodie, Craig Edward Leen, Christine Michelle Macey, and John Barlow Timmer, each to be an Associate Judge of the Superior Court of the District of Columbia.

Energy Committee

House of Representatives

- 7/22, 10:15 AM - To examine strengthening consumer protection in a changing marketplace.
- 7/22, 2:00 PM - To examine protecting communications networks and

Senate

- 7/22, 10:00 AM - To examine the Federal Regulatory Commission.

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