

# American Nephrology Nurses Association

Daily Capitol Hill Update - Wednesday, January 22, 2020

(The following information comes from Bloomberg Government Website)

## Schedules: White House and Congress

### WHITE HOUSE

- President Trump at World Economic Forum in Davos, Switzerland
  - Trump holds press conference in Davos before departing for Washington
  - Trump scheduled to arrive in Washington at 4:50pm

### CONGRESS AND IMPEACHMENT TRIAL

- Senate meets at 1pm after adjourning shortly before 2am this morning
- House returns next week

## Congressional, Health Policy, and Political News

- **Drug Lobby Spends Record \$29 Million:** The main lobbying association for drug makers, the Pharmaceutical Research and Manufacturers of America, spent a record \$28.9 million on lobbying last year as it pushed back on legislation meant to control the price of medicine.
  - The trade group asked lawmakers instead to create an out-of-pocket cap for prescription drugs under Medicare instead of going after drug prices.
  - The amount spent by PhRMA was up 5% from the year before, according to the federal lobbying disclosures filed yesterday.
  - PhRMA representatives landed a crucial meeting with President Donald Trump last summer to discuss pricing. The industry is concerned about a proposal from the president, which is now on hold, to tie U.S. drug prices to their international rates. That proposal has yet to be released in deference to the Senate's attempt to come to an agreement on a drug-pricing bill.
  - Pharmaceutical companies have had some success in lobbying Congress but are still pushing against major proposals from House Democrats and the Trump administration to curb drug costs. Congress passed the CREATES Act last year, a relatively modest measure to spur the creation of new generic drugs, but lawmakers had promised more sweeping changes.
- **Pharmacy Benefit Managers Spend:** Also spending heavily in 2019 were drug industry middlemen, known as pharmacy benefit managers. The industry's main lobbying organization, the Pharmaceutical Care Management Association, spent \$4.2 million in 2019 on lobbying, more than double what it spent the year before. CVS Health, which owns one of the country's largest PBMs in CVS Caremark, spent nearly \$9.5 million on lobbying in 2019, up from \$6.5 million in 2018.
  - Surprise medical billing threatened the PBM industry last year; a Senate bill on the issue would've banned "spread pricing," which is when a PBM charges an insurer more for a drug than what they paid a pharmacy for that drug.

- **More Surprise Billing:** Physicians for Fair Coverage, a group that reported it spent less than \$5,000 each quarter in 2017 and 2018, spent nearly \$4.9 million in 2019, according to disclosures. The group's main focus is surprise medical billing legislation and its members largely represent specialty doctors.
- **Both Sides Spar Over Bolton:** The House managers and the White House team sparred yesterday over how seriously House Democrats tried to get testimony from former National Security Adviser John Bolton before the trial began. Lead House manager Adam Schiff (D-Calif.) disputed a claim from Trump's attorneys that the House needs the Senate to help put together its case against the president by insisting on subpoenas for witnesses and documents. He said the House is ready to prosecute its case.
  - White House lawyer Pat Cipollone responded that Schiff may be making such declarations now, but that House investigators declined to subpoena Bolton during the House investigation. "Now they come here and they ask you to issue a subpoena for John Bolton. It's not right," Cipollone said. Later, Schiff said the House did invite Bolton to testify, but Bolton's lawyer said he wouldn't appear and would sue if the House subpoenaed him.
- **Inside the Impeachment Trial:** Sen. Elizabeth Warren (D-Mass.) scratched out copious notes and Sen. Bernie Sanders (I-Vt.) watched intently as House impeachment managers began arguing their case against Trump. But almost nobody could see what two of the leading Democratic presidential candidates or the other 98 members of the Senate were doing as the historic impeachment trial opened yesterday, with photographers barred and Senate-controlled TV cameras focused solely on the House impeachment managers and the president's defense team.
  - A Senate chamber that is normally mostly empty except for during votes instead had all 100 senators forced to sit at their desks with a pile of impeachment documents and a pad of paper, pencils and cups of water, while a gallery packed with journalists and spectators looked on. With their phones and other electronics stowed in the cloakroom, and ordered to stay silent under pain of imprisonment by the sergeant-at-arms, the senators paid rapt attention as the case got underway.
- **Chief Justice Scolds Managers and Trump Team:** Chief Justice John Roberts admonished House prosecutors and Trump's defense team to respect Senate decorum after the two sides engaged in a fiery back and forth, accusing each other of not telling the truth. Roberts, who had stuck to procedural comments until that point, said, "I think it is appropriate at this point for me to admonish both the House managers and president's counsel in equal terms to remember that they are addressing the world's greatest deliberative body."
- **Trump Notches Wins to Fuel Re-Election:** Trump has kicked off the 2020 election year with a string of key foreign policy and economic wins that his campaign hopes will overshadow - - and outlast -- the political fallout from his historic impeachment. As the Senate began his impeachment trial, Trump tried to pull the spotlight to Davos, Switzerland, where he touted

his record to an annual gathering of global elites: “America is thriving, America is flourishing, and yes, America is winning again like never before,” he said.

- Trump’s argument has been bolstered by a series of recent victories. He inked a long-sought “phase one” trade deal with China, the Senate passed his rewrite of NAFTA, and he ordered the killing of a top Iranian general without immediately tipping the U.S. into another war in the Middle East. All three events occurred within a two-week period, helping push the stock market to record highs and giving Trump clear talking points for the argument that his confrontational approach to China and Iran is working. Adding to the list, Trump yesterday indicated he had secured a truce with French President Emmanuel Macron in their dispute over digital taxes, and said he’s confident he can reach a trade deal with the European Union.
- **Sanders Rise Means More Talk About Electability:** Sanders has campaigned for years as the candidate for “radical change” who will lead a revolution. Now he’s talking about beating Trump and offering something for every voter. The independent senator from Vermont is enjoying a rise in polling and fund-raising in Iowa and New Hampshire. With the Democratic Party focused on defeating Trump, he’s trying to temper his agenda as something outside the mainstream.
  - At the Iowa Black and Brown Forum in Des Moines on Monday, Sanders was asked a question that began with “your agenda is radical.” Sanders interjected: “No, it’s not radical,” and turned to the audience. “Guaranteeing health care to all people through a Medicare for All program, is that radical? Raising the minimum wage to \$15 an hour, is that radical?” he asked, setting off a call-and-response. Sanders asked and someone shouted, “Hell no!” He continued, listing fighting climate change, immigration reform, criminal justice reform, abortion rights and gun reform, to louder “nos” and shaking heads. He then turned back to the moderators and quipped, “I beg your pardon, we have a radical agenda.”
- **Bloomberg Unveils \$1 Trillion Public Works Plan:** Michael Bloomberg is pledging to repair 240,000 miles of U.S. roads and 16,000 bridges by 2025 as part of a comprehensive public works plan that would send more than \$1 trillion to state and local governments over a decade. Previous efforts to enact sweeping federal infrastructure plans have languished without a consensus on how to pay for them, and Bloomberg isn’t saying yet how he’ll fund his. Those details will be part of his forthcoming tax plan, the campaign said. Bloomberg argues that past spending hasn’t solved the problem because there hasn’t been a national plan to guide investments in needed work by local communities. The former New York mayor was to discuss his policy at the U.S. Conference of Mayors’ winter meeting today in Washington.
- **Super PAC Buys Anti-Impeachment Ads:** The nonprofit arm of a pro-Trump super PAC said yesterday it will spend \$1 million on anti-impeachment ads in three key states in the November election. America First Policies said it will run the ads in Alabama and Michigan, where Sens. Doug Jones (D-Ala.) and Gary Peters (D-Mich.) are running for re-election, in addition to Pennsylvania, a key swing state for the president’s re-election. The Alabama ad

advises viewers to call Jones and “tell him to stop standing with the radical left and end impeachment.”

- **Collins Target of New Campaign:** A liberal judicial advocacy group is stepping up Democratic efforts to deny Sen. Collins re-election by launching a new wave of ads citing her vote to confirm Brett Kavanaugh to the U.S. Supreme Court. Demand Justice will spend six figures on a 30-second digital spot directed at the Senate moderate’s 2018 vote to confirm Kavanaugh amid the political storm over allegations by a woman that he sexually assaulted her decades ago while they were in high school, a claim Kavanaugh has denied.
- **Lobbying Firms Report Lucrative 2019:** Washington lobbying firms have closed the books on 2019, which new revenue numbers show was a lucrative year, and are prepping for what they say will be a fast and furious 2020. Despite the legislative slowdown that occurs during election years, a half-dozen lobbyists said they expect a hectic agenda awaits them.
  - “In 2020, there’s a very short runway, but we’ve got a lot of traffic on that runway,” said Moses Mercado, a principal at Ogilvy Government Relations. “Like, a lot.” Last year, Ogilvy pulled in more than \$11 million in lobbying fees, a 6% increase over the previous year.
- **Tech Giants’ Spending Shows Growing Hostility:** Three of the four biggest U.S. technology giants boosted their lobbying spending last year as they battled charges of unfair competition, sought to shape privacy legislation and pursued large government contracts in an increasingly hostile Washington. The four biggest tech companies by market value -- Apple, Microsoft, Alphabet and Amazon -- shelled out \$45.5 million in 2019, 12% less than the \$51.6 million the year before.
  - The overall drop was driven by Alphabet’s Google. It reported a 44% decline in 2019 spending, to \$11.8 million from \$21.2 million. The company spent much of last year reshuffling its Washington office, including ending its relationships with more than a dozen lobbyists at six outside firms. It also replaced Susan Molinari, a former Republican House member, with Mark Isakowitz, a onetime GOP Senate aide, to head up its Washington policy shop.
- **Boeing Hiked Q4 Lobby Spend:** Boeing’s spending on federal lobbying rose to \$3.4 million in the last quarter of 2019 as the embattled plane-maker faced new threats in Washington after its 737 Max jetliner was grounded after two deadly crashes. The aerospace giant’s lobbying outlay in the last three months of 2019 jumped 8% compared with the third quarter as the company’s 737 Max crisis deepened. Former chief executive officer Dennis Muilenburg faced a bipartisan pummeling in two days of testimony in late October. That performance was the beginning of the end for Muilenburg, who was ousted in December.
- **Trump to Hold Press Conference at Davos:** Trump told reporters he will hold a press conference in Davos later today, before his departure for the U.S.
  - Trump this morning reiterated his criticism of Federal Reserve policy, saying the central bank “brought up the rate too fast, and they didn’t drop it fast enough.”

- “I want this dollar to be strong. I want it to be so powerful. I want it to be great. But if you lower the interest rates, so many good things would happen,” he said in an interview with CNBC. “We have a very strong dollar, and that sounds good, and it is good in many ways, but it’s very bad in terms of manufacturing,” he added.
- **Trump Says EU Plans ‘Emergency Meeting’ on U.S. Trade Tensions:** Trump said today the EU plans what he called an “emergency meeting” to prepare for trade negotiations with the U.S. Trump has threatened to impose tariffs on European-made cars unless the European Union agrees to a trade deal, though he hasn’t given a public deadline for an accord. He discussed trade with European Commission President Ursula von der Leyen on the sidelines of the World Economic Forum annual conference in Davos, Switzerland on Tuesday.
- **Mnuchin Threatens U.S. Auto Tariffs:** Treasury Secretary Steven Mnuchin dangled the prospect of retaliatory tariffs on automobile imports if countries go ahead with digital taxation plans. “If people want to just arbitrarily put taxes on our digital companies, we will consider arbitrarily putting taxes on car companies,” Mnuchin said at a panel discussion at the World Economic Forum in Davos today. “We think the digital tax is discriminatory in nature.” Internet companies have long been the target of complaints that they don’t pay enough in taxes, and France imposed a 3% levy on the digital revenue of companies that make their sales.
- **Justices Confront New Dispute Over Funding for Religious Schools:** Tension over the U.S. Constitution’s two religion clauses will play out at the Supreme Court when the justices hear argument today in a dispute over Montana’s funding of religious schools. The use of tax credits as an incentive for generating donations to a scholarship program for public and private education is the latest test of interpreting the Free Exercise and Establishment clauses. The Free Exercise Clause forbids the government from interfering in the practice of religion, and the Establishment Clause prohibits it from favoring one religion over another.
- **Pentagon Racks Up \$35 Trillion in Accounting Changes:** The Pentagon made \$35 trillion in accounting adjustments last year alone -- a total that’s larger than the entire U.S. economy and underscores the Defense Department’s continuing difficulty in balancing its books. The latest estimate is up from \$30.7 trillion in 2018 and \$29 trillion in 2017, the first year adjustments were tracked in a concerted way, according to Pentagon figures and a lawmaker who’s pursued the accounting morass. The figure dwarfs the \$738 billion of defense-related funding in the latest U.S. budget, a spending plan that includes the most expensive weapons systems in the world including the F-35 jet as well as new aircraft carriers, destroyers and submarines.
- **EPA Advisers Try to Soften Tone of ‘Secret Science’ Report:** The EPA’s science advisers yesterday debated toning down the language of a draft report to agency chief Andrew Wheeler that finds flaws in the EPA’s proposed “secret science” rule. The proposed rule

would bar the agency from using scientific research that isn't or can't be made public. Critics have said the proposal is a bid to sideline the science the EPA uses in regulations, because the agency wouldn't be able to rely on epidemiological studies, which often draw on private medical information.

- **FBI Took Two Months to Crack Lev Parnas's iPhone:** It took the FBI about two months to unlock the Apple iPhone 11 that was seized from Lev Parnas, the indicted associate of Rudy Giuliani. The Justice Department yesterday rebuffed allegations by a lawyer for Parnas that the government had delayed turning over the information extracted from his phone to "frustrate" his ability to comply with requests for the data from a congressional committee. "First, Parnas declined to provide the password to his devices, which is of course his right, but which required the FBI to spend nearly two months unlocking the iPhone 11," the government said in a letter to U.S. District Judge J. Paul Oetken in Manhattan.
  - Apple news websites reported last week that the FBI used Cellebrite software to unlock the iPhone. Apple declined to comment.
- **Foxconn's Terry Gou Vows to Fire Up Wisconsin Plant:** Foxconn's Terry Gou pledged to begin production at a long-delayed electronics plant in Wisconsin sometime this year, kick-starting a signature U.S. project that's expected to play a pivotal role in expanding the billionaire's manufacturing empire. The Foxconn founder said the factory will be up and running in 2020 and drive his company's vision of manufacturing components for fifth-generation wireless and artificial intelligence applications, without elaborating. Gou, who failed in his bid to contest the Taiwanese presidential elections, added he will spend a lot of time in the U.S. this year and intends to send more employees over.
- **Chinese Virus Spreads to U.S.:** Health officials around the world are racing to gauge the danger posed by a new virus that emerged in China last month and spread rapidly, sickening hundreds and killing at least six. Authorities are acting aggressively as the number of cases nearly doubled to 291 over the weekend and stretched to five other countries, including the first diagnosis in the U.S. The resident of Washington state had recently traveled to Wuhan, the epicenter of the outbreak.