Schedules: White House and Congress

WHITE HOUSE

- 12:45pm: President Trump has lunch with VP Mike Pence
- 5pm: Trump presents the Medal of Honor
- 3:30pm: Pence meets with CEOs of Organization for International Investment

CONGRESS

- House meets at 10am; set to consider three bills relating to natural resources
- Senate meets at 10am; set to consider S. J. Res. 52, which would overturn the Trump administration’s guidance on the Affordable Care Act’s state innovation waivers
- 2pm: House Oversight subcommittee holds hearing on the White House security clearance system; 2154 Rayburn
- 3pm: House Rules Committee considers resolution setting rules for impeachment inquiry; H-313

Congressional, Health Policy, and Political News

- **Drug Patent Bill**: Sen. John Cornyn (R-Texas) is mulling bringing his measure that would restrict drugmakers from gaming the patent process to the Senate floor this week to see if any lawmakers would publicly oppose the bill. Cornyn said in an interview that Senate Minority Leader Chuck Schumer (D-N.Y.) has a hold on his bill, which would limit the practice of drugmakers filing new patents on older products or steering consumers to similar, separately patented brand-name drugs when older patents run out.

- **Medicaid**: The Senate Finance Health Care Subcommittee plans a hearing on compliance with Medicaid eligibility requirements. Witnesses from the Health and Human Services Department Office of Inspector General, Government Accountability Office and others will testify.

- **New Treatments for Chronic Diseases**: The Trump administration is looking for novel treatments to address chronic health conditions like high cholesterol, type 2 diabetes, and obesity. The HHS issued a request for public comments yesterday on prevention strategies for chronic conditions and what could drive the development of other approaches. About $580 billion is spent on health care for preventable non-communicable diseases like heart disease, type 2 diabetes, kidney disease, and obesity each year, according to the CDC.
**Redacted Mueller Papers:** Democrats weighing Trump’s impeachment will have to wait to see a fuller version of former Special Counsel Robert Mueller’s report on Russian interference in the 2016 U.S. presidential election and its accompanying grand jury materials. Trump administration attorneys won a postponement of a court-ordered deadline of today for providing the records, which the House Judiciary Committee has sought since shortly after the special counsel testified before Congress in July.

**Trump ‘Shall Be Invited’:** Trump and his lawyer “shall be invited to attend all hearings” by the Judiciary Committee, including any held in executive session, according to procedures released yesterday by the Rules Committee. Trump’s lawyer will be allowed to question witnesses and seek permission to offer testimony, evidence and make a closing presentation. The rules do not appear to apply to public hearings that the House Intelligence panel plans to hold, or to the ongoing closed-door depositions.

**McGahn Talks Said Failed:** Lawyers for House Judiciary Committee Democrats told a Washington federal judge yesterday that negotiations to secure the testimony of former White House counsel Don McGahn have collapsed and that the court must rule on the House’s bid for a court order forcing him to appear. McGahn spurned a subpoena requiring his testimony earlier this year, prompting the chamber to hold him in contempt and sue for his compliance.

**Tax Return Lawsuit:** Democrats yesterday said a court ruling over financial records held by Trump’s accountants helps their case to see his tax returns. Lawmakers in a filing said the ruling that Trump’s accounting firm, Mazars USA, must comply with a congressional subpoena for the president’s financial records shows their case can proceed. “Mazars firmly establishes that federal courts can and may resolve disputes exactly like the present one, and this court should proceed to do so,” lawmakers say.

**Giuliani Associate:** A judge in Florida ordered an associate of Rudy Giuliani to testify within 30 days about the source of funds that were used to make campaign donations to the America First political action committee and former Rep. Pete Sessions (R-Texas), after a creditor claimed they were misappropriated from a family trust. The associate, Lev Parnas, was charged in Manhattan with laundering campaign donations and using foreign funds to support U.S. political campaigns.

**Prosecutors Slam Flynn’s Reversal:** U.S. prosecutors criticized Michael Flynn’s “extraordinary reversal” in proclaiming his innocence despite his admission of guilt before two federal judges. In a court filing yesterday, prosecutors denied assertions by Flynn’s lawyers that they had engaged in misconduct and attacked the defense team’s efforts to paint Flynn as innocent of lying to investigators despite his guilty plea. “The defendant now claims that he is innocent of the criminal charges in this case,” U.S. prosecutors wrote.
**Turkey Sanctions Passed:** The House overwhelmingly passed a bipartisan bill yesterday threatening to sanction Turkey, warning that a deal struck with the Trump administration won’t necessarily save the NATO ally from economic punishment for its military operation in northern Syria. The bill to sanction Turkish leaders, Halkbank and other financial institutions, and restrict the military’s access to financing and arms passed 403-16, a veto-proof majority that reflects the widespread outrage over Trump’s decision to withdraw U.S. troops.

- Also yesterday, the House voted to condemn the Ottoman Empire’s massacre of 1.5 million Armenians early in the last century, ignoring Turkey’s longstanding opposition to the measure. The bipartisan resolution, adopted on a 405-11 vote, marked the first time that the House went on record to characterize the massacre as genocide and one perpetrated by the Ottoman Empire, the predecessor of modern Turkey.

- The passage of sanctions legislation underscores a sober reality about U.S. ties to a key NATO ally: Things can still get worse.

**Ninth Circuit Judicial Picks:** Two nominees to a federal appeals court that has been openly criticized by Trump over rulings against his administration’s policies face senators today at confirmation hearings. The Senate Judiciary Committee will question Patrick Bumatay, an openly gay federal prosecutor, and Lawrence VanDyke, a deputy assistant U.S. attorney general, on their nominations to the U.S. Court of Appeals for the Ninth Circuit.

**Low-Income Area Tax Breaks:** The House tax-writing committee is pushing bipartisan legislation to revise a break for investments in distressed areas, following concerns that the areas most in need aren’t reaping the most benefit. The legislative push comes after a wave of criticism that investors in areas known as opportunity zones aren’t required to report their assets or economic impact to the Treasury Department. Opportunity zones have come under fire for encompassing areas, such as parts of Brooklyn or Portland, Oregon, that would have been developed without the tax incentive.

**PreCheck Woes Draw Fire:** Lawmakers on both sides of the aisle pressed the Transportation Security Administration’s top official over concerns the agency is behind in its efforts to carry out a law to improve its operations. The scrutiny yesterday from a House Homeland Security Committee came one year after the passage of the sweeping TSA Modernization Act, which reauthorized the security force for the first time since its establishment after the terrorist attacks in 2001 and called for a number of changes, from shorter PreCheck wait times to improved working conditions for checkpoint screeners.

**Inhofe Unveils ‘Skinny’ NDAA:** Senate Armed Services Chairman Jim Inhofe (R-Okla.) unveiled a pared down National Defense Authorization Act bill for fiscal 2020. Inhofe’s version of the full measure is being introduced in case negotiators reach an impasse in efforts to pass a complete measure this year. Lawmakers are stalled over several issues,
including whether to back or oppose the use of military funds to build a border wall sought by Trump.

- **Taxing Athletes’ Scholarships:** Big-time college athletes could find themselves with a tax measure after a rule change that will allow student players to accept endorsement deals, according to Sen. Richard Burr (R-N.C.). Burr said he plans to introduce a bill that would require student athletes to pay taxes on their scholarships if they also earn money from endorsements. The NCAA announced yesterday it would permit athletes to be compensated for their names, images and likenesses.

- **2020 Democrats Debate Why Trump Won:** As Democrats compete to take on Trump in 2020, the debate over why he won in 2016 has led them to dramatically different answers that are shaping their campaigns.
  - Some, like Sens. Elizabeth Warren (D-Mass.) and Bernie Sanders (I-Vt.), argue that Trump was elected because of a simmering resentment among voters about politics and their place in American culture, and they’re promoting a fundamental reshaping of the way government works — Medicare for All, tuition-free public college, among other things — that they believe addresses the angst. Others, like former Vice President Joe Biden, think Hillary Clinton’s loss shows that the party needs to pay more attention to its blue-collar roots and win back Rust Belt voters who voted for Trump in 2016 with a traditional Democratic message.
  - There is evidence for both sides of the argument.

- **Wall Street Waffles on Politics and the Economy:** Wall Street’s best minds are falling over themselves to describe the cataclysms that would befall equities should Warren get elected. It’s a brand of analysis whose recent track record is abysmal. The S&P 500 will plunge 25% if the Democrat becomes president, says Paul Tudor Jones, the hedge fund manager. Discovery Capital Management founder Rob Citrone says she’s “the single biggest risk for the market” and calculates the downside at up to 20%. Billionaire Leon Cooperman told CNBC earlier this month that the market would drop 25% if Warren or Sanders win.
  - That’s a lot of certainty to attach to predictions Wall Street has shown no ability to get right in the past. The confidence sounds particularly rich considering what investors said about the man Warren aims to dethrone, Trump.

- **Papadopoulos Seeks Katie Hill’s Seat:** Former Trump campaign foreign policy adviser George Papadopoulos is running for California’s 25th district, according to FEC filings. Papadopoulos, one of the first people charged in Mueller’s probe, spent nearly two weeks in jail for lying to federal agents about his contacts with a U.K. college professor who claimed to have ties to Russians. The district’s incumbent Rep. Katie Hill (D), announced her resignation from Congress this week after apologizing for an inappropriate sexual relationship with a campaign staffer.
• **Trump Raises $13M for House GOP:** Trump yesterday headlined a Washington fundraiser that raised more than $13 million for House Republicans in their campaign to retake control of the chamber. Hundreds of donors who gave at least $35,000 to Take Back the House 2020 gathered at the Trump International Hotel near the White House, according to Drew Florio, the communications director for the re-election campaign of House Minority Leader Kevin McCarthy (R-Calif.).

• **‘Ballot Harvesting’ Barred in N.C. Bill:** North Carolina state lawmakers have sent the governor a bill intended to discourage political tricksters from tampering with absentee ballots. The legislation is a response to the vote-meddling that led the state to toss out the results of a congressional election in 2018. The measure also would restore the Saturday before election day as an early-voting option, reversing a change the Republican-controlled Legislature made in June 2018, triggering a court challenge by Democrats.

• **Trump Wants 90% Drop in New HIV Infections:** The Trump administration is aiming to lower new HIV infections by more than 90% — to 3,000 a year by 2030 — but officials expect an initial bump in new diagnoses over the next two years. The numbers “are ambitious but doable,” Carl Schmid, co-chair of the Presidential Advisory Council on HIV/AIDS, said in an interview. Accomplishing them will require political will and leadership at the local level.
  o The projections, obtained by Bloomberg Law, are the first detailed goals in Trump’s plan to end the spread of HIV in the U.S. by 2030. The plan aims to reduce new HIV infections by 75% in the first five years and by 90% in the next 10 years. The Centers for Disease Control & Prevention says 38,739 people were infected with HIV in 2017.

• **Fannie-Freddie Profit Sweep:** The Trump administration asked the Supreme Court to toss out a lawsuit by Fannie Mae and Freddie Mac investors that challenged the federal government’s hoarding of nearly all the mortgage giant’s profits. In an appeal filed late last week, Justice Department lawyers said a federal appeals court was wrong when it ruled in September that the investors’ lawsuit should go forward. The shareholders’ suit claim that Treasury and the Federal Housing Finance Agency exceeded their authority by taking all of Fannie and Freddie’s earnings.