Schedules: White House and Congress

WHITE HOUSE

- President Trump has no public events scheduled
- Vice President Mike Pence participates in Senate Republican policy lunch at 1pm, U.S. Capitol Building

CONGRESS

- Senate meets at 10am; resumes consideration of judicial nominees

Congressional, Health Policy, and Political News

- **Drug Safety Criticism Called Reckless:** The generic drug industry is circling the wagons after news reports and lawmakers shined a spotlight on potential safety issues with the U.S.’s generic drug supply chain. Criticism that the U.S.’s generics supply has not been held to appropriate quality standards amounts to “reckless allegations,” Chip Davis, head of the Association for Accessible Medicines, said at an industry conference yesterday. AAM is the leading lobbying group for generic drugmakers and represents companies like Mylan, Teva, and Dr. Reddy’s.
  - The FDA is under fire from lawmakers about the agency’s safety regulations and quality of its foreign inspections of generics manufacturers. The criticism came after a recall of popular generic blood pressure drugs that contained substances suspected of causing cancer. The House Energy and Commerce Committee’s health panel last week questioned Janet Woodcock, director of the FDA’s Center for Drug Evaluation and Research, about the frequency of the agency’s inspections and how much data it collects from overseas drug plants.

- **Drug Market Exclusivity Targeted:** House Energy and Commerce health panel members Eliot Engel (D-N.Y.), Brett Guthrie (R-Ky.), Kurt Schrader (D-Ore.) and Richard Hudson (R-N.C.) introduced a bill that would “codify the Food and Drug Administration’s current practices for evaluating new drugs for market exclusivity, which will help encourage the next generation of innovative medicines,” according to a statement. The legislation would update federal law to prevent chemical derivatives of existing compounds from getting market exclusivity,” according to the statement.

- **Uncompensated Care:** A federal rule requiring Medicaid reimbursements for hospitals that serve a high number of low-income patients to be reduced based on payments they receive from Medicare and private insurers is valid because it is neither an unreasonable nor an arbitrary and capricious interpretation of a Medicaid offset law, the Eighth Circuit ruled. HHS properly adopted a rule that lowers Medicaid reimbursements for
“costs incurred” by disproportionate share hospitals when caring for indigent people by the amount that they receive from third-party payers, the U.S. Court of Appeals for the Eighth Circuit said Monday.

- **At the polls today:**
  - In Mississippi, Trump expressed irritation with the fight for the governor’s seat. “I can’t believe this is a competitive race. It’s like embarrassing,” Trump said as he introduced Republican candidate Tate Reeves at a previous rally in Tupelo. Reeves is running against the state’s Attorney General Jim Hood, a Democrat.
  - In Virginia, abortion-rights groups have spent more than $3 million on a handful of races, making the state an early testing ground for how the issue will affect statehouses around the country. Whichever party is more successful in today’s elections, where the entire state legislature is up for election, will get to play a key role in reshaping the state’s abortion laws. The debate flared earlier this year with a legislative proposal to ease Virginia’s restrictions on the procedure.
  - In Washington state, Amazon has donated $1.5 million to try to fill a board in its home town with friendly faces. That’s an unusual amount of spending in a Seattle council race, and “unprecedented for Amazon,” according to University of Washington professor Margaret O’Mara, who’s researching the nexus of the high-tech industry and American politics.
  - In California, Uber has a stake in elections in its home town. San Francisco voters will decide whether to impose a special rideshare tax to raise money for transit service and transportation improvement projects.
  - In Arizona, voters in Tucson, which is about 60 miles from Mexico, are making a decision about becoming a “sanctuary city” that restricts interactions between local police and federal immigration enforcement.

- **Buttigieg Embraces Top-Tier Status:** Exuding a new confidence as a top-tier candidate, Pete Buttigieg is seizing on Joe Biden’s stumbles in Iowa and deepening questions about Sen. Elizabeth Warren’s (D-Mass.) electability to pitch himself as the alternative to both and the candidate best positioned to lead the Democrats against Trump. Buttigieg, who has firmly established himself as a serious contender to win the Iowa caucuses on Feb. 3, pitched himself to voters on a four-day swing through the state as a young moderate with the policy positions and background that could help Democrats recapture the industrial Midwest.
  - Although Biden still leads most national polls, recent Iowa surveys show the race has tightened to almost a four-way tie among him, Warren, Sen. Bernie Sanders (I-Vt.) and Buttigieg. The 37-year-old mayor of South Bend, Indiana, has emerged from the back of the field to competing with politicians who have decades more experience on the national stage.

- **Biden Leads in Two Nevada Polls:** Joe Biden leads in two new surveys of likely Nevada caucus goers even as he’s fallen behind in surveys of Democrats in Iowa and New Hampshire. The former vice president had the support of 29% of likely caucus goers in a poll conducted for the Nevada Independent, a news nonprofit, by Mellman Group, a Democratic polling firm. Sanders and Warren are tied for second place at 19%. In a
second Nevada poll by Emerson College, Biden was at 30%, Warren was at 22% and Sanders was at 19%.

- **Trump Campaign Eyes Black Voters:** Trump’s campaign said yesterday that it’s creating a new coalition to try to bolster his support among African-Americans. The group, named “Black Voices for Trump,” aims to recruit and engage African-American voters. Vice President Mike Pence will address the group at an event on Friday in Atlanta, according to a senior campaign official. The official said the campaign is rolling out the coalition in Atlanta because Trump enjoys relatively strong support among black voters in the city. Trump won about 8% of the black vote in 2016.

- **Public to Get Glimpse at Trump’s Ukraine Effort**
  - House Democrats will release closed-door testimony from two central players in Trump’s back-channel effort to influence the Ukrainian government, a key initial step as the impeachment inquiry shifts to a new, public phase.
  - The release today will offer the American public a closer look at what Kurt Volker and Gordon Sondland said behind closed doors to House impeachment committees last month and could help clarify their own roles and what their efforts on Trump’s behalf were intended to achieve.
  - They and Energy Secretary Rick Perry were the “three amigos” deputized by the White House to help Trump’s personal lawyer Rudy Giuliani lead back-channel administration overtures to Ukraine.
  - In what is known about their previous testimony -- including their prepared opening remarks -- both men distanced themselves from Giuliani’s shadow effort to get Ukraine to investigate Democrat Joe Biden and his son, as well as the White House decision to withhold foreign aid that Congress had designated for Ukraine.
  - The transcripts will be the second set released by the Democratic-led committees conducting the inquiry, which is set to move on to public hearings as soon as next week. On Monday, transcripts from former Ambassador to Ukraine Marie Yovanovitch and Michael McKinley, a former senior adviser to Secretary of State Michael Pompeo, were made public.

- **Trump’s View of Ukraine Prosecutor Contradicts Record:** The impeachment inquiry centers on Trump’s contention that there was something untoward about Biden’s diplomatic efforts in Ukraine at the time his son Hunter was on the board of a Ukrainian energy company. But Biden wasn’t alone in wanting prosecutor Viktor Shokin out of office. A look at the record shows Democrats and Republicans alike were concerned about his ability to fight corruption.
  - Ethics experts say President Barack Obama could have chosen a better point person than Biden to lead the effort to remove Shokin -- given Hunter’s work with Burisma Holdings -- but no politician of either party objected publicly to the effort.
• **FERC Nominee Questioned:** The Senate Energy and Natural Resources Committee holds a hearing today on the nomination of James P. Danly to be a member of the Federal Energy Regulatory Commission. Senate Minority Leader Chuck Schumer (D-N.Y.) said yesterday he is concerned about “inconsistent and inaccurate ethics advice” given by FERC’s Office of General Counsel under Danly. Schumer said in a letter to the Energy Department’s inspector general and Office of Government Ethics that deficiencies occurred in the office while under Danly’s management.

• **China Wants Trump Tariff Rollback:** China is seeking the roll back of U.S. tariffs on as much as $360 billion of Chinese imports before President Xi Jinping agrees to go to the U.S. to sign a partial trade deal with Trump, according to people familiar with the matter. Negotiators asked the Trump administration to eliminate tariffs on about $110 billion in goods that were imposed in September and lower the 25% tariff rate on about $250 billion that began last year, said some of the people, who asked not be named discussing the private talks. Chinese officials also suggested the U.S. could temporarily waive some tariffs, people familiar with Beijing’s position said. In return, China could remove tariffs on a reciprocal amount of U.S. goods, mostly farm products, one of the people said.

• **Green Groups, States, Challenge Lightbulb Rollback:** The Trump administration’s move to roll back energy-use requirements for billions of lightbulbs is being challenged in court by environmental groups and states such as California and New York. Dual lawsuits filed in federal appeals court in Manhattan seek to block the Energy Department from withdrawing an Obama-era requirement that bulbs commonly used in recessed lighting, track lighting, bathroom vanities and decorative fixtures meet the same energy efficiency standards that phased out the traditional incandescent bulb.

• **Energy Market Manipulation Oversight:** The U.S. agency charged with rooting out abuse in energy markets isn’t doing enough to crack down on bad behavior, according to one of its regulators. Rich Glick, the sole Democrat on the Federal Energy Regulatory Commission, argued yesterday that the agency’s commitment to tackling manipulation “appears to be waning” under Republican Chairman Neil Chatterjee. Glick made the comments in response to a letter by Sen. Maria Cantwell (D-Wash.), who in September led a group of lawmakers in questioning the commission’s commitment to tackling market abuse.