Schedules: White House and Congress

WHITE HOUSE

- 12:30pm: Trump has lunch with Vice President Mike Pence
- 2:15pm: Trump welcomes Ecuador President Lenin Moreno to White House; holds expanded bilateral at 2:45pm
- 6:30pm: President Trump departs White House for fundraiser at his D.C. hotel; delivers remarks at 7:30pm

CONGRESS

- House meets at 10am; set to consider H.R. 2546, which would designate more than 2 million acres of federal land in Colorado as wilderness or recreation areas
- Senate meets at 9:30am; to resume consideration of judicial nominees
- Senate expected to begin consideration of S. J. Res. 68, a measure that would restrict President Trump’s ability to take military action against Iran without congressional authorization

Congressional, Health Policy, and Political News

- **Rare Disease Drug Exclusivity Loophole Bill**: A bipartisan group of senators, including Bill Cassidy (R-La.) and Jeanne Shaheen (D-N.H.), unveiled a bill yesterday they say would close a loophole in a statute that gives certain profitable drugs shelter from competition. The legislation closes the loophole in the Orphan Drug Act, which typically gives seven extra years of exclusivity for drugs that treat diseases that affect less than 200,000 people in U.S., the senators said. The bill would strip extra exclusivity rights from those profitable drugs so that cheaper options can come on market sooner.

- **Trump’s Rural Health Plan Eyes Telehealth**: The Trump administration plans to focus on four areas of rural health in the coming year—preventing diseases, creating sustainable financing, using technology to improve access, and laying the groundwork for a stronger workforce, according to a top HHS official. There will be a lot of action on those issues in the coming months, and agencies are working on relevant proposals, HHS Deputy Secretary Eric Hargan told the National Rural Health Association yesterday.

- **McConnell Sees Divisions on Drug Bill**: Senate Majority Leader Mitch McConnell (R-Ky.) said yesterday the Senate will discuss a measure to lower the costs of prescription drugs, but he’s “not prepared to predict today” on whether a bill could pass the Senate or become law. The GOP has “internal divisions” on a prescription drug measure, he
said. “I think everyone can agree prescription drug prices are too high.” Earlier yesterday, Finance Chairman Chuck Grassley (R-Iowa) said he plans to unveil an updated version of his bill to lower drug prices, and said Sen. Martha McSally (R-Ariz.) added her name to those backing his bill.

- **Warren Results Show Voters Prefer Sanders:** Sen. Elizabeth Warren (D-Mass.) began her presidential campaign with a blast of economic populism and calls for “big, structural change.” After disappointing finishes in Iowa and New Hampshire, that message still looks viable -- but so far, voters prefer that Sanders, not Warren, carry it forward. Sanders’ victory in New Hampshire, coupled with his emergence as national front-runner in a pair of new polls, leaves Warren’s campaign struggling for direction and attention. Her initial strategy of building a national infrastructure with grassroots donors and generating momentum with early wins in Iowa and New Hampshire has been replaced by an urgent new one: Survive long enough for voters to generate doubts about Sanders and Buttigieg and give her another look.

- **Biden Departs New Hampshire Before Fifth-Place Finish:** Joe Biden’s campaign saw his fifth-place finish coming early enough yesterday to hightail it to South Carolina, a state where he’s long held a giant lead in polling, before voting even ended in New Hampshire. By the time the early results were on television, the former vice president had landed in Columbia to begin a three-week cross-country push that could either result in an improbable comeback or the eventual end to his third bid for the presidency. After running a lethargic campaign since his fourth-place showing in Iowa last week, Biden appeared jolted awake by the reality of his position. He said he was determined to fight on in states with more racial diversity than the first two contests on the nominating calendar.

- **Michael Bennet, Andrew Yang Drop 2020 Bids:** Sen. Michael Bennet (D-Colo.) is suspending his campaign for the Democratic presidential nomination, the Associated Press reported last night. Bennet ran as a moderate, rejecting favorite ideas of more progressive Democrats, including the Medicare for All plan espoused by Sanders and Warren that would eliminate private health insurance. Instead, Bennet pushed his Medicare-X proposal to create a public option without a single-payer system.
  - Entrepreneur Andrew Yang is also ending the presidential campaign he built on the promise of a universal basic income of $1,000 a month for every American over the age of 18. Yang made the announcement in an interview with Washington Post reporters in New Hampshire. He told the reporters that he did not foresee broad enough support in upcoming primary states to win delegates, and declined to endorse another candidate.

- **GOP Edges Gingerly Toward Climate Plan:** It’s not quite the Green New Deal, but House Republicans will begin revealing their plan today to combat climate change that comports with conservative principles of less regulation and increased domestic energy development. The move comes as the GOP stance on the issue shifts from sowing doubt about climate change -- or ignoring it all together -- to grappling with how to best
address it in the face of pressure from young voters and public alarm over deadly storms and wildfires linked to global warming. “I think it’s a lot like health care was for the Republican party,” said Kiera O’Brien, president of Young Conservatives for Carbon Dividends. “Climate is really a risk issue for us. We see the writing on the wall.”

- But don’t expect the plan being crafted by House Minority Leader Kevin McCarthy (R-Calif.) and other senior GOP officials to include mandated limits on greenhouse gas emissions or a tax on carbon dioxide. Instead, Republicans are focused on a proposal centered around innovation and conservation.

- **Trump Pick Confirmed, Boosts Court’s Conservative Lean:** The Senate confirmed Andrew Brasher to the Atlanta-based federal appeals court, increasing the conservative lean on a court central to voting rights cases. The chamber voted 53 to 43 along party lines to approve Brasher to the U.S. Court of Appeals for the 11th Circuit, over the opposition of Democrats and civil rights groups, including the NAACP. They say his work on cases involving voting and LGBT rights in his role as Alabama’s solicitor general make him unfit for the role. Republicans dismissed that criticism.

  - In his push to remake the judiciary with conservatives, Trump “flipped” the 11th Circuit last year, giving Republican-appointed judges a majority over their colleagues appointed by Democrats. Brasher’s nomination increases their sway.

- **Romney Still Weighing Shelton Nomination:** Sen. Mitt Romney (R-Utah) declined to endorse Trump’s nomination of Judy Shelton to serve on the Federal Reserve, and says he is still examining her record. “I’ll take a look at her record. It’s not terribly encouraging at this point but we’ll see after I review it,” Romney told reporters. The Senate Banking Committee will hold a hearing tomorrow on the nominations of Shelton and Christopher Waller to serve on the Fed.

- **Iran Cyber Threat Spurs Legislative Push:** Threats of retaliatory cybersecurity attacks from Iran are spotlighting the need for bipartisan legislation that would provide states and localities with more federal cybersecurity advisers, a senior federal cybersecurity official told a Senate panel yesterday. “I am under-invested in cyber advisers and I have to get more resources out there,” said Chris Krebs, head of the U.S. Cybersecurity and Infrastructure Security Agency. He endorsed the bill (S. 3207) as part of a string of legislation he deemed critical for his office, which was recently elevated to a full-fledged agency within the Homeland Security Department.

- **Barr Unleashes Justice Department Turmoil:** Attorney General William Barr is confronting one of the biggest crises of his tenure after the Justice Department reversed course on a recommendation about how long one of Trump’s allies should go to prison, prompting a team of career prosecutors to quit the case. Coming after he helped the president navigate the special counsel’s probe of Russian election meddling and prevail in the third presidential impeachment trial in U.S. history, Barr will be pressured to prove he’s not a political hired hand just doing the White House’s bidding.
The change to the Justice Department’s sentencing recommendation on Trump confidant Roger Stone -- convicted of witness tampering and lying to Congress -- is the second politically charged move revealed by the agency this week. On Monday, Barr said he had created a special channel for Trump’s personal lawyer Rudy Giuliani to share his “findings” on Biden’s connections to Ukraine -- an issue that played a central role in Trump’s impeachment and trial.

The next day, four prosecutors resigned in rapid succession after the sentencing change in the Stone case. They did so after the department overruled them and scaled back its initial advice that Stone serve seven to nine years in prison. Instead, the department recommended that Stone serve three to four years. Trump repeated public objections before and after the initial recommendation, fueling fears that law enforcement officials simply succumbed to White House pressure.

**Vindman Sent to ‘Different Location’:** Trump said he sent Lt. Col. Alexander Vindman “to a much different location,” referring to last week’s removal of the National Security Council official who delivered damning testimony against the president in House impeachment hearings. Vindman “did a lot of bad things, so we sent him on his way,” Trump said yesterday. The White House Friday dismissed Vindman and his brother Yevgeny Vindman following Trump’s acquittal in his Senate trial. The White House hasn’t offered an official explanation for the ouster.

**Powell Suggests Fed May Struggle to Fight Next Recession:** Federal Reserve Chairman Jerome Powell came close to acknowledging that the central bank may not have the firepower to fight the next recession and called on Congress to get ready to help. The current low level of interest rates “means that it would be important for fiscal policy to support the economy if it weakens,” he told the House Financial Services Committee yesterday. The remark, which came in opening testimony that Powell is due to repeat to a Senate panel today, was an unusual appeal by the head of a politically independent institution that is used to combating economic contractions on its own.

**Big Tech’s Smallest Deals Get Antitrust Scrutiny:** Over the last decade, major technology companies made a handful of enormous acquisitions — Facebook’s 2014 purchase of WhatsApp; Microsoft’s 2016 deal for LinkedIn; Amazon’s 2017 acquisition of Whole Foods — and a huge number of tiny deals. In the latest sign that public officials are re-examining the permissive approach they’ve taken to the industry, the Federal Trade Commission demanded new information this week about deals too small to draw its attention when they happened.

The request covers hundreds of startup acquisitions that Alphabet, Apple, Amazon, Facebook and Microsoft weren’t required to report to regulators. The FTC now wants to know whether those “potentially anticompetitive acquisitions of nascent or potential competitors” should have been blocked, even though they flew way under the traditional antitrust radar.
• **Foreign Gift Reporting for Colleges:** The Education Department is revisiting its plans to overhaul colleges’ reporting of foreign contributions after pushback by higher education lobby groups. But the drive for more transparency, stemming from lawmakers’ concerns over improper influence in academia from countries like China, will likely remain contentious for colleges and federal officials. Under Section 117 of the Higher Education Act, colleges are required to report to the federal government any gift or contract from a foreign person or organization of more than $250,000.

• **U.S. Rallies Behind Erdogan:** President Recep Tayyip Erdogan vowed to strike Syria should there be any new aggression against Turkish soldiers deployed across the border, escalating threats against Damascus after winning rare support from the U.S. Turkey will push forces loyal to Syrian President Bashar al-Assad away from the last major rebel stronghold in Syria and will heavily retaliate for any attacks on the Turkish military, Erdogan told lawmakers today. The U.S. envoy for Syria engagement, James Jeffrey, is visiting Turkey, where he expressed support for Ankara against the Assad regime.

• **Guaido Returns After Trump Meeting:** Opposition leader Juan Guaido landed in Venezuela yesterday to a chaotic scene at Caracas’s international airport, as President Nicolas Maduro’s loyalists clashed with opposition lawmakers there to greet him. After passing through customs, Guaido was swarmed by the clashing lawmakers and Maduro backers. He and his traveling entourage were able to leave the airport without being arrested for violating a government travel ban. The opposition leader had also defied a travel ban last year without suffering repercussions on his re-entry to Venezuela.

• **Pyongyang Loses Route Around Sanctions:** North Korea’s decision to shutter its border with China to avoid the coronavirus will set back its nascent economic recovery, heightening pressure on Kim Jong Un to return to nuclear negotiations with Trump. A spike in fuel prices, a drop in port activities and the suspension of train and air links show the early impact as reports emerge of the first virus case in North Korea. In recent days, Seoul-based NK News reported a 36% increase in diesel prices and diminished activity at the port of Nampho, as well as with new quarantine procedures.