Schedules: White House and Congress

WHITE HOUSE

- 8:30pm: President Trump departs White House for U.S. Capitol
- 9:10pm: Trump delivers State of the Union address

CONGRESS

- House convenes; no votes expected
- 9:30am: Senate meets for period of morning business for debate only

Congressional, Health Policy, and Political News

- Medicaid Block Grant Response: House Democrats yesterday released text of a resolution (H. Res. 826) that would urge the Trump administration to withdraw the policy on state Medicaid grant funding announced in a letter on Jan. 30. The policy would give states a lump sum to spend on Medicaid instead of a currently unlimited amount of funding they could receive, which grows and shrinks based on state need.
  - Under the nonbinding resolution, slated for a vote this week, the House would state that “the illegal actions taken by the Trump administration to undermine the Medicaid program, including beneficiary protections, are a cruel attack on a program that provides for the health and well-being for some of our most vulnerable citizens.”

- FDA Hold on Digestive Drug Testing: Vanda Pharmaceuticals may not begin long-term human testing for tradipitant, a drug designed to treat a chronic digestive disorder, until it completes a long-term toxicity study on animals other than rodents, a federal court in the District of Columbia said. The FDA won summary judgment in Vanda’s lawsuit challenging a partial clinical hold the agency placed on tradipitant’s human testing. The FDA had an adequate scientific basis for its decision and hadn’t improperly applied a nonbinding guidance, the U.S. District Court for the District of Columbia said.

- Trump Urges SCOTUS to Skip Obamacare Challenge: The U.S. Supreme Court should pass on considering a ruling that a crucial part of the Affordable Care Act is unconstitutional until lower federal courts can further sort out the details, the Justice Department argued. “Immediate review is unwarranted in the case’s present posture because the court of appeals did not definitively resolve any question of practical consequence,” the brief, filed by Solicitor General Noel J. Francisco, said. The House and several Democratic-led states filed separate petitions urging the high court to definitively rule that Obamacare is constitutional. The Supreme Court already rejected those petitioners’ attempts to fast-track the appeal.
• **Meltdown Shines Light on Tech, Human Failures:** The Iowa Democratic Party will face tough questions today about how the technology and structure it designed for transparency and efficiency at its caucuses instead delivered neither. The state party deployed a new phone app for precinct chairmen to report results at the same time it deployed a new system for tabulating winners. Both appear to have failed. Precinct chairmen found it difficult to use the app to report results to party headquarters and instead resorted to calling a hotline. The hotline got so jammed up that they were waiting for 30 minutes or more for someone to answer. Then the party reported there were “inconsistencies” in the count and decided to withhold announcing results.

  o “The first time tech is used like this, there’s almost always glitches,” Herb Lin, a professor of cyber policy and security at Stanford University’s Hoover Institution said. “It’s very hard to get it right the first time. The question now is what sort of testing was done before we got to the caucuses, was it realistic and was development rushed?”

• **Biden Touts Endorsements After Uncertain Finish:** Joe Biden’s campaign was looking ahead from an unclear Iowa caucus outcome with new endorsements today from key Democrats in South Carolina and Super Tuesday states as it turns to contests where it believes he perform well. The former vice president received the endorsements today of California Secretary of State Alex Padilla; former Arkansas Governor and Senator Mark Pryor; former Arkansas Senator David Pryor; former South Carolina Governor Jim Hodges and his wife, Rachel; as well as the mayors of two cities in Super Tuesday states.

• **Trump Wins Republican Iowa Caucus:** President Donald Trump easily won the Republican caucus in Iowa, beginning an anticlimactic contest for his party’s nomination for a second term. The Associated Press called the race at 7:25 p.m. Central Time, just 25 minutes after Iowans convened for the first presidential nominating events of 2020. Trump had 97% of the GOP vote at the time of the call. Two challengers — former Massachusetts Gov. William Weld (R) and former Rep. Joe Walsh (R-Ill.) — each had about 1%.

• **Bloomberg Skeptical of Middle-Class Tax Cuts:** Michael Bloomberg said he doubts he would be able to cut middle-class taxes very much as president because of the need to raise revenue for crumbling U.S. infrastructure, social programs and other items. “I don’t think that you can cut middle-class taxes very much. We have an infrastructure need that is enormous in this country, and all of the social programs that every candidate including me wants to enact, somebody’s got to pay for it,” Bloomberg said in an interview yesterday in Compton, Calif.

• **Trump’s State of Union Seeks Shift:** President Trump plans to use tonight’s State of the Union address to try to move past his impeachment and make his case for re-election by taking credit for a strong economy, newly signed trade deals and a crackdown on immigration.
Trump said he plans to deliver a “positive” speech -- boasting of his achievements in front of an audience that will include as many as five of his potential 2020 opponents -- at a time when he has been fuming at Democrats over his impeachment.

Some of Trump’s GOP allies are urging him not to use his prime-time address to air grievances with Democrats over an impeachment that originated with a near party-line vote in the House and likely will end on Wednesday with an acquittal in the GOP-controlled Senate.

“Why should he talk about impeachment when we have the hottest economy in history?” Sen. Mike Braun (R-Ind.) said.

It is the second straight year Trump will deliver his address to the nation beset by a major political crisis. The president was forced to postpone last year’s speech due to a record-long government shutdown that stemmed from a fierce battle with congressional Democrats over his demand for money to build a wall along the U.S. border with Mexico.

Trump will make the central theme of the speech what he calls the “Great American Comeback,” according to a senior administration official who previewed the speech for reporters. The president plans to address the economy and trade deals with China, Canada and Mexico, the official said, which would echo key themes he uses in campaign rallies. He’ll also discuss his efforts to crack down on illegal immigration and lower prescription drug prices.

**Impeachment Vote Dilemma Traps Moderates:** The biggest mystery left in Trump’s inevitable impeachment acquittal is whether any Democrats will join Senate Republicans to give him a bipartisan vote to clear him of the House’s charges.

Democratic senators who represent Trump-leaning states have to decide whether they will buck their party on what could be the most important vote before the November elections and risk alienating voters who like the president.

The most vulnerable is Sen. Doug Jones (D-Ala.), who is up for re-election this year. Jones said he won’t announce how he’ll vote ahead of time, even though the Senate floor will be open until the final vote at 4 p.m. tomorrow for senators to explain their thoughts about the trial debate over the past two weeks.

While some Republicans also haven’t said how they plan to vote, Sen. Lisa Murkowski (R-Alaska) took to the floor last night to say that she “cannot vote to convict,” even though she called Trump’s actions “shameful and wrong.” She criticized the House for building its case on a “rotted foundation” of partisanship and arbitrary deadlines, and she said she’d leave it to voters to decide Trump’s fate in the fall.

This declaration from a Republican who was at one time considered a vote within reach for Democrats demonstrates how unlikely it is that any GOP senator will vote against the party, which controls the 100-member chamber. Trump’s swift wrath at any perceived disloyalty has increased the political stakes for independently minded Republicans -- and helped cement a united GOP vote against his Dec. 18 impeachment in the House.

**Manchin Floats Trump Censure:** Sen. Joe Manchin (D-W.Va.) said he’s undecided on how he’ll vote, but he also said that because he sees “no path” to a two-thirds Senate majority to
convict Trump, he’s proposing that both parties unite behind a censure of the president. “I am truly struggling with this decision and will come to a conclusion reluctantly,” Manchin said on the floor yesterday. Trump’s July 25 call with Ukraine’s president “was not a perfect call,” he said. “It was simply wrong.” He condemned the “false argument” that the president can do no wrong.

- **U.S. Mulls More Charges Against Giuliani Allies:** The U.S. government may file additional charges against Rudy Giuliani associate Lev Parnas and others accused of campaign-finance crimes before the start of their trial Oct. 5, a prosecutor said yesterday. Parnas and co-defendant Igor Fruman worked closely with Giuliani in trying to dig up dirt in Ukraine on Democratic presidential contender Joe Biden, and in ousting the U.S. ambassador to Ukraine, the government alleges. Prosecutors had indicated in December that the case could be expanded based on a review of evidence including bank accounts, email addresses and other materials.

- **Coronavirus Sparks Plan to Shift $136M:** Efforts to fight the new coronavirus may get a $136 million infusion of funds, the Department of Health and Human Services said yesterday. The department notified Congress Sunday it could later this month transfer funds to the Centers for Disease Control and Prevention as well as other areas of the agency working to prevent an outbreak of the virus in the U.S., an HHS spokeswoman said. The notice was made “out of an abundance of caution” to make sure the HHS could respond rapidly, Katie McKeogh, an HHS spokeswoman, said.
  - The disease is expanding rapidly in China, she said, and with more cases being identified in the U.S. the agency is unable to predict how much money it’ll need in coming weeks. HHS can shift the funds 15 days after it notifies Congress. The move highlights how quickly the cost of a coronavirus response could escalate.

- **Debt Relief Rule Seen Shutting Out Students:** A Trump administration debt-relief standard released last year may deprive many student borrowers of any help with loan forgiveness, Democrats warn. Defrauded borrowers would have to show typical earnings for their programs are so low they would be statistical outliers in order to obtain full loan relief, House Education and Labor Chairman Bobby Scott (D-Va.) and Rep. Lori Trahan (D-Mass.) wrote in a letter to Education Secretary Betsy DeVos yesterday. That outcome results from the Education Department misapplying basic statistical concepts in drafting the debt relief standard, they said.

- **Senate to Hold Hearing for Fed Nominees Shelton, Waller:** The Senate Banking, Housing and Urban Affairs Committee will hold a hearing for Trump’s latest picks for the Federal Reserve Board of Governors later this month. The panel will conduct a hearing on the nominations of Judy Shelton and Christopher Waller on Feb. 13 at 10 a.m. in Washington, according to an announcement yesterday.
  - Shelton, a former economic adviser to Trump’s election campaign, and Waller, research director at the St. Louis Fed, were formally nominated last month by the White House for two vacant spots on the seven-seat Fed board. Shelton has attracted
controversy in the past for her support of reviving a gold standard for the U.S. currency and for abandoning her previously hawkish views on inflation after becoming a candidate for a Fed nomination.

- **Trump Administration Clears Way for New Tariffs:** The Trump administration is going ahead with controversial new rules that would clear the way for the U.S. to start applying punitive tariffs on goods from countries accused of having undervalued currencies, the Commerce Department said yesterday. The move would give new muscle to U.S. complaints about currency manipulation that have in the past targeted economies like China and Japan and thus turn the more than $6 trillion-a-day global currency market into a new battlefield in the Trump administration’s trade wars.

- **Russia Strong-Arms UN:** It was after midnight in a windowless basement room at the United Nations headquarters in New York, and Russian diplomats were holding the organization’s $3 billion budget hostage. Just days from the start of the new year, disheveled envoys from several countries were struggling to broker a deal that covers everything from the number of translators posted to Geneva to who gets to fly first class. Talks were paralyzed around a line item representing a sliver of the budget proposal, but one with geopolitical implications -- $17 million to investigate human rights violations in the nine-year-old Syrian conflict. That’s when a Russian official entered the conference room and told more than two dozen diplomats that their agreement wasn’t good enough yet, dragging negotiations past Christmas, according to three people who were involved in the talks.
  - While last-minute budget talks aren’t unusual at the U.N., Moscow’s hard-edged diplomacy over Syria is part of an increasingly assertive campaign the permanent Security Council member is waging at the global body as its expands its influence in the Middle East. It’s an effort aimed at fending off threats to its influence in Syria, where Russian air power has allowed President Bashar al-Assad to consolidate control over nearly all but the oil-rich northeastern part of Syria.

- **Iran Upholds Death Sentence for Man Convicted of Spying for U.S.:** Iran upheld the death sentence given to an Iranian national found guilty of working for U.S. intelligence. Amir Rahimpour “was a CIA spy who was paid handsomely and tried to pass part of Iran’s nuclear information to the American service,” judiciary spokesman Gholam Hossein Esmaeili said on state television today.

- **Certifications for Civilian Drones:** Federal regulators plan to review drone designs in the same way they review other aircraft, a major step toward allowing routine drone deliveries and other flights over congested cities. The Federal Aviation Administration yesterday announced it’s seeking comment from the public and the drone industry on what criteria should be used for determining whether these novel new devices are safe. The devices “affected by this policy will include those used for package delivery,” the FAA said in a document published in the Federal Register.
• **U.S. May Soon Have World’s Oldest Nuclear Plants:** With backing from the Trump administration, utilities across the nation are seeking permission to extend the life of reactors built in the 1970s to the 2050s as they run up against the end of their 60-year licenses. “We are talking about running machines that were designed in the 1960s, constructed in the 1970s and have been operating under the most extreme radioactive and thermal conditions imaginable,” said Damon Moglen, an official with the environmental group Friends of the Earth. “There is no other country in the world that is thinking about operating reactors in the 60 to 80-year time frame.”

• **ZTE Fights to Stay Off Blacklist:** Chinese telecommunications gearmaker ZTE is asking the FCC to keep it off a blacklist of companies that can’t sell equipment to subsidized U.S. carriers because they’re deemed a threat to national security. At the same time, mobile broadband providers have told the agency that it would be expensive for them to replace gear made by ZTE and Huawei, another tech giant based in China, if so ordered. The Federal Communications Commission in November made an initial determination that ZTE and Huawei pose a national security risk.

• **Contractor Watchdog Head Tapped for OPM:** Labor Department official Craig Leen will be nominated for the role of Inspector General at the Office of Personnel Management, the White House announced. Leen currently heads the DOL’s Office of Federal Contract Compliance Programs, which enforces anti-discrimination laws for federal contractors. The agency has accused JPMorgan Chase, Google, Microsoft, Cisco, and Oracle of alleged pay bias and other workplace discrimination.

• **First Openly Gay Federal Judge Deborah Batts Dies:** District Judge Deborah Batts, the first openly gay federal judge and a trailblazer for diversity in the judiciary, has died. She was 72 and served in the U.S. District Court for the Southern District of New York, which includes Manhattan. She was overseeing a case against celebrity lawyer Michael Avenatti over allegations he stole a book advance from his adult-film star client, Stormy Daniels.

• **Limbaugh Tells Listeners He Has Lung Cancer:** Rush Limbaugh, a fixture of conservative talk radio for decades, told listeners yesterday that he has advanced lung cancer and may miss some broadcasts while he seeks treatment. Limbaugh said during his show that the diagnosis was confirmed by two medical institutions on Jan. 20 after he “realized something was wrong” on the weekend of his birthday, Jan. 12.