Schedules: White House and Congress

WHITE HOUSE

- 1:30pm: President Trump, Vice President Mike Pence meet with industry executives on coronavirus response
- 3pm: Pence leads coronavirus task force meeting

CONGRESS

- House Speaker Nancy Pelosi said she hopes to have an announcement today on reaching a deal with the Trump administration on a virus package
- Senate returns next week

Congressional, Health Policy, and Political News

- **HHS Shelters Drug, Device Makers From Liability**: Drug and device manufacturers will be protected from the threat of legal liability as they work to combat the new coronavirus through vaccines and testing, the health agency said in a declaration
  - The document waives liability for manufacturers working on ways to combat Covid-19, including diagnostics, therapies, and vaccines. The legal safeguard, which doesn’t include willful misconduct, is intended to create incentives for additional work on the pandemic and protect companies who took an early gamble in working to produce lab tests and vaccines.

- **Medical Records Search Turning Up Nothing Can Still Cost Money**: Ciox Health is allowed under Missouri law to charge a basic search fee for the “search and retrieval” of medical records, even when the search doesn’t produce any records, the Eighth Circuit said yesterday. It’s a similar to the result reached by the U.S. Court of Appeals for the Sixth Circuit in December, where Ciox was held not liable for overcharging Tennessee patients for records processing. Ciox is one of the largest medical-records providers in the country, used by three out of every five hospitals.

- **Fierce Fight Over Trump’s Virus Speech**: Trump sat in the Oval Office Wednesday before the biggest speech of his presidency, listening to his aides argue about whether barring Europeans from traveling to the U.S. would trigger a global depression.
  - The medical experts on his team were adamant: The best way to slow the spread of the novel coronavirus was to buy time by keeping Europeans out, they said, with the hope the virus may naturally ebb in the warmer weather, according to people familiar with the deliberations. Treasury Secretary Steven Mnuchin and Larry
Kudlow, the president’s top economic adviser, pushed back strongly, saying the economic cost would be steep.

- Trump let them go on for a bit, then had heard enough. He dispatched some of the advisers into the nearby Cabinet Room and told them to come back with a plan they could all stand behind, said two of the people, who like others asked for anonymity to describe internal deliberations. When they returned with almost everyone endorsing the travel restrictions, Trump agreed to do a prime-time address to tell the nation.

- His aides now see this moment as the most crucial of Trump’s presidency, the time when voters will decide whether he deserves re-election. “We’re going to win or lose right here,” one said. Another said that if the stock market is lower than when Trump took office, it would shatter his claim to being the one person who can keep the economy on track.

**Latest Virus Updates:** French President Emmanuel Macron called the coronavirus the worst health crisis of the century and New York City declared a state of emergency. While China reported just eight new cases, infections rose elsewhere and the death toll from the outbreak approached 5,000.

**Global Recession Risk Spikes:** A pandemic-driven global recession is becoming more likely by the day as the flow of goods, services and people face ever-increasing restrictions and financial markets slump. In just the past day or so, Trump curbed travel to the U.S. from Europe, Italy’s government ordered almost every shop to close, India suspended most visas and Ireland partially shut down. Companies told employees to work from home, and sports leagues postponed their seasons.

- While such announcements are aimed at containing the coronavirus, each quarantined city, canceled flight, scrapped sporting event and scuppered conference will hammer demand this quarter and likely longer. An initial consumer rush to stock up on supplies may be followed by months of cautious restraint.

- With few encouraging signs of a comprehensive fiscal policy response from the U.S. government to the coronavirus, investors are looking to the Federal Reserve to fill the vacuum by supporting the economy and keeping markets functioning. It unleashed a trillion dollars yesterday, but failed to halt the stock market rout. That has investors questioning whether central banks can do enough to shelter their economies from the virus without help from governments.

**Federal Employees Need More Protections:** Federal agencies are putting their employees at risk by denying telework requests, limiting information, and failing to provide adequate safety equipment in response to the coronavirus pandemic, union leaders say. “Telework is the best answer and too many agencies are being stingy,” Tony Reardon, president of the National Treasury Employees Union, told reporters.

- Although the Office of Personnel Management has urged agencies to extend telework to the maximum extent possible, not all agencies are complying, according to Reardon. He said some Department of Health and Human Services workers with
underlying health conditions have had their telework requests denied, for example. Reardon declined to identify other agencies turning down telework requests.

- **Prisons’ Risk Puts Justice Department Under Pressure:** The Justice Department is under increasing pressure to take measures to prevent an outbreak of coronavirus in federal prisons across the U.S., including finding ways to quickly identify and isolate infected prisoners. In response, the department’s Federal Bureau of Prisons told the largest union representing federal correction officers during a meeting yesterday that it’s poised to announce major steps to deal with the challenge, according to Joe Rojas, a union official.

- **Education Department May Waive Testing Requirements:** Extended campus closures and student absenteeism could make it unfeasible for states to administer some or all assessments of pupils’ learning, the Education Department said in a document released yesterday. Separate documents released by the department clarified that K-12 schools are not required to provide special education services if instruction stops for all other students during school closures to stop the spread of COVID-19. And the department said schools may disclose student identifying information to protect the health and safety for other students.

- **Immigration Judges Call to Halt Mass Hearings:** A federal immigration judges association called upon the Justice Department agency overseeing its courts to suspend hearings that bring large numbers of people together in the same room, in an effort to fight the spread of the coronavirus. The letter, sent yesterday to Executive Office of Immigration Review Director James McHenry, called on the agency to completely suspend master calendar dockets for non-detained individuals, which are initial hearings that often bring 50 or more respondents together in a single courtroom, not including their families and attorneys.

- **Trump Suggests Delaying Tokyo Olympics:** Trump suggested the Tokyo Olympics should be postponed, as the events’ organizers denied they were considering changing the start planned for July 24. “I would say maybe they postpone it for a year,” Trump told reporters when asked his opinion on the arrangements for the event. “I like that better than having empty stadiums all over the place,” he added. Trump later spoke with Japanese Prime Minister Shinzo Abe. “I told him that the just completed Olympic venue is magnificent. He has done an incredible job, one that will make him very proud,” Trump tweeted.

- **Near-Shutdown of U.S. Sports:** The NCAA, Major League Baseball and the National Hockey League will suspend play in response to the coronavirus, joining other U.S. organizations in virtually shutting down major spectator sports across the country.

- **Coronavirus Forces a Virtual Campaign Season:** The coronavirus pandemic has transformed the way Joe Biden, Sen. Bernie Sanders (I-Vt.) and Trump are campaigning, just as the race for the presidency narrows to a few top candidates. And the alternatives will cost the candidates millions of dollars.
o It’s an added challenge for all three campaigns. With the Democratic race down to two candidates -- and with Biden solidly in the lead -- interest in the contest would naturally shrink somewhat. Combine that with the pandemic’s overwhelming impact on the economy and daily life, getting voters’ attention is going to be difficult -- and expensive.

o “It’s going to be a tearing up of the playbook,” said Teddy Goff, Barack Obama’s digital director in 2012 and a founding partner of Precision Strategies, a communications and digital agency.

o The campaigns will have to reinvent long-planned tactics, finding new -- and likely more expensive -- ways to excite and motivate supporters and get attention from a news media consumed by virus coverage.

o The Biden campaign said yesterday in a memo to staff that they could work remotely, and that the operation’s offices around the country would close to the public. The Sanders campaign also asked its staff to work from home and said it “will no longer hold large events or door-to-door canvasses, instead moving to digital formats and outreach wherever possible.”

o The candidates will have to get creative with digital tools and buy a lot more advertising to maintain voter enthusiasm all while balancing totally reconfigured budgets, according to digital communications experts and political strategists.

• **U.S. Hits Back at Militia After Iraq Strike:** The American military has begun retaliatory strikes against a militia believed responsible for the rocket attack that killed two Americans and a Briton, a U.S. defense official said last night. The official, who requested anonymity to discuss the operation, declined to say where, exactly, the strikes were taking place or provide other details.

  o Earlier yesterday, Defense Secretary Mark Esper said that the U.S. was considering several options on how to respond to the rocket attack. The deadly assault on the Iraqi base on Wednesday occurred only months after a similar assault almost led to a direct military confrontation with Iran.

• **Pentagon Asks Court to Hold Off on Cloud Contract:** Government lawyers are asking a federal judge for permission to reconsider the Pentagon’s decision to award Microsoft a controversial $10 billion cloud contract after a legal challenge from Amazon. In a filing to the U.S Court of Federal Claims yesterday, the Defense Department said it was seeking “120 days to reconsider certain aspects of the challenged agency decision.” Among the issues the Defense Department wants to re-evaluate are parts of the bidders’ price proposals and online marketplaces.

• **Trump Sued for Information on Pardons:** A Washington-based watchdog group sued Trump to shed light on pardons he issued. The group American Oversight said in a complaint filed yesterday in Washington federal court that Trump’s advisory committee -- the Clemency Task Force -- is illegal because it hasn’t filed a charter and hasn’t released minutes of its meeting, as would be required by law. “Federal law does not permit the president to establish or utilize a secret advisory committee,” the group said. It seeks an order from a judge for Trump to turn over documents that it says the public is entitled to.
• **Surveillance Bill on Track for Lapse:** Key U.S. surveillance authorities are on track to expire this weekend in a dispute among Republican senators over proposals to limit collection of data about Americans. Senate Majority Leader McConnell said yesterday even if provisions of the Foreign Intelligence Surveillance Act authorizing surveillance of suspected spies and terrorists are allowed to expire Sunday, his chamber will act soon to reauthorize it. The Senate will vote on a procedural motion on the bill when it returns on Monday.

• **Senate Bills Mirror Trump Agency Guidance:** Bills aimed at solidifying Trump administration policies on easing regulatory enforcement and tightening agency guidance documents were approved yesterday by the Senate Homeland Security and Governmental Affairs Committee. One measure, to waive fines for first-time paperwork violations by small businesses, was amended to help win support from a few Democrats, and approved 8-5 by the committee. That bill and the other, to codify agency guidance document practices, were introduced by Sen. James Lankford (R-Okla.), chairman of the panel’s regulatory affairs subcommittee.

• **SoftBank Ratchets Up D.C. Lobbying:** Masayoshi Son’s Midas touch has been wearing off lately. The SoftBank Group chief executive officer is seeing some of the company’s largest investments crumble while struggling to raise a new technology fund and keep an activist investor at bay. On Wednesday, he made a rare appearance on Twitter to propose a solution to the shortage of coronavirus tests. The plan was immediately panned, and Son quickly walked it back. However, there’s one part of Son’s team where the charm offensive looks like it’s working: SoftBank’s Washington lobbying operation.
  o The Japanese conglomerate known for flooding the world of technology startups with cash—sometimes billions of dollars in a single funding round—is now wielding its wallet in D.C. The company’s lobbying bill climbed to $1.94 million in 2019, a step up from $225,000 in 2018, according to filings with Congress. That spending, which doesn’t include lobbying by its subsidiaries, is far lower than that of American tech giants like Amazon or Facebook, but is more than double the amounts for Netflix or PayPal. Of the 10,000 or so organizations that report lobbying every year, the Center for Responsive Politics says, SoftBank ranks among the top 4% of spenders.

• **FAA’s Global Status Shaken a Year After Boeing Grounding:** After the second fatal crash of a Boeing 737 Max jetliner, most of the world’s aviation regulators rushed to ground the jet while the U.S., where it was built, waited for data. The Federal Aviation Administration took three days and ended up being the last to end flights on Boeing’s best-selling jetliner, a year ago today.
  o The delay, and subsequent revelations about what went wrong with oversight of the plane’s design and certification, raised questions about the judgment of an agency accustomed to international deference. The reverberations threaten to complicate the jet’s return to service and could portend long-term implications for the industry.