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From: Anna Palmer Jake Sherman Daniel Lippman
Sent: Wed 8/9/2017 5:05:04 PM
Subject: Playbook Power Briefing, presented by the Coalition for Affordable Prescription Drugs (CAPD): MANAFORT'S home raided by FBI agents in July -- DAN SCAVINO slams MCCONNELL -- TILLERSON tries to cool North Korea tensions

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Today's Playbook Power Briefing presented by the Coalition for Affordable Prescription Drugs (CAPD)

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Happy hump day afternoon. THE TRUMP WHITE HOUSE GOES FULL BORE AGAINST MITCH MCCONNELL -- DAN SCAVINO (@danscavino), senior aide to **PRESIDENT DONALD TRUMP**: "More excuses. @SenateMajLdr must have needed another 4 years - in addition to the 7 years -- to repeal and replace Obamacare....." *He linked to this video* <http://bit.ly/2upo03K>

-- **THIS IS STUNNING.** Mitch McConnell is the lynchpin to whatever Donald Trump wants to get done on Capitol Hill. Sure, health care did not go as the White House wanted it to. They might get there in the future, they might not. But McConnell is not going *anywhere* for a very long time, he commands respect from all Republican senators and controls the Senate floor. Remember, his Senate Republican Conference notched Trump's biggest legislative victory so far: the confirmation of Justice Neil Gorsuch. What McConnell said was not terribly controversial, and there are many Republicans in and around Trump that admit his view of what he could get done was probably a bit too rosy. Remember, Trump said health care would be easy, and the law could be repealed immediately. McConnell never said that. Capitol Hill is hardly ever in unison but dumping on McConnell is seen as confused a strategy as the administration could employ.

THE WHITE HOUSE did not respond to a request about whether Scavino's statement was representative of the administration's position on the top-ranking Senate Republican.

BULLETIN: "WASHINGTON (AP) - Pentagon chief: NKorea should stop 'actions that would lead to the end of its regime and the destruction of its people'"

NYT'S PETER BAKER and **GLENN THRUSH:** "[Trump's] ominous warning to Pyongyang in was entirely improvised, according to several people with direct knowledge of what unfolded. In discussions with advisers beforehand, he had not run the specific language by them ...

"Among those taken by surprise, they said, was John F. Kelly , the retired four-star Marine general who has just taken over as White House chief of staff and has been with the president at his golf club in Bedminster, N.J., for his working vacation. ...

"But the president's ad-libbed threat reflected an evolving and still unsettled approach to one of the most dangerous hot spots in the world as Mr. Trump and his team debate diplomatic, economic and military options. The president's aides are divided on North Korea, as on other issues, with national security veterans like Defense Secretary Jim Mattis and Lt. Gen. H.R. McMaster, the national security adviser, on one side and Stephen K. Bannon, the president's chief strategist, and his allies on the other." <http://nyti.ms/2vOpBn6>

-- **These are divergent views** on foreign policy within the top ranks of the administration.

BIG NEWS -- "FBI conducted predawn raid of former Trump campaign chairman Manafort's home," by WaPo's Carol Leonnig, Tom Hamburger and Ros Helderman: "FBI agents raided the Alexandria home of President Trump's former campaign chairman late last month, using a search warrant to seize documents and other materials, according to people familiar with the special counsel investigation into Russian meddling in the 2016 election.

"Federal agents appeared at Paul Manafort's home without advance warning in the predawn hours of July 26, the day after he met voluntarily with the staff for the Senate Intelligence Committee. The search warrant was wide-ranging and FBI agents working with special counsel Robert S. Mueller III departed the home with various records.

"The raid came as Manafort has been voluntarily producing documents to congressional committees investigating Russia's interference in the 2016 presidential election. The search warrant indicates investigators may have argued to a federal judge they had reason to believe Manafort could not be trusted to turn over all records in response to a grand jury subpoena." <http://wapo.st/2vNMFSZ>

ANNIE KARNI SCOOP -- "Trump to stay at Trump Tower for three nights":

"President Donald Trump on Sunday is scheduled to make his first visit back to Trump Tower since his inauguration, according to a draft schedule shared with local New York City law enforcement and reviewed by POLITICO. The president is scheduled to depart his Bedminster, N.J. golf club, where he has been working and vacationing this week, on Sunday afternoon and travel directly to Trump Tower, where he will hole up at his old, beloved, three-story penthouse on the 66th floor for three nights."

<http://politi.co/2vF1hVc>

FROM BEDMINSTER -- @realDonaldTrump at 7:56 a.m.: "My first order as President was to renovate and modernize our nuclear arsenal. It is now far stronger and more powerful than ever before...." ... **at 8:03 a.m.:** "...Hopefully we will never have to use this

power, but there will never be a time that we are not the most powerful nation in the world!" ***The president also retweeted Fox & Friends five times.***

-- @AliWatkins: "Putting aside all the other issues here, there is no way you're renovating and modernizing the nuke arsenal in six months."

STATE DEPT.: NOTHING HAS CHANGED -- "Tillerson tries to cool North Korea tensions as Trump boasts about nuclear arsenal," by Louis Nelson: "Secretary of State Rex Tillerson on Wednesday sought to tamp down concern that the U.S. is headed towards a military conflict with the repressive regime of dictator Kim Jong Un, even as President Donald Trump freshly claimed to have made the U.S. nuclear arsenal 'far stronger and more powerful than ever before.'

"**I do not believe that there** is any imminent threat in my own view,' Tillerson told reporters aboard his aircraft as he traveled to Guam, one of the U.S. territories in the Pacific most threatened by North Korea. 'I think Americans should sleep well at night. I have no concerns about this particular rhetoric of the last few days.' He downplayed Trump's threat from Tuesday as an expression of readiness in the case of an attack. 'I think what the president was just reaffirming is, the United States has the capability to fully defend itself from any attack and defend our allies, and we will do so,' Tillerson said." <http://politi.co/2hKrQm9>

OUR BAD -- The Bloomberg story about Trump's "red team" examining tax reform that we included in this morning's Playbook says that Marc Short, Trump's top legislative hand, is involved. The original excerpt we saw did not have that detail. ***The story*** <https://bloom.bg/2vOZHAA>

HEADING TO COURT -- "Judge won't dismiss Menendez charges before trial," by POLITICO New Jersey's Matt Friedman: "A federal judge rejected on Wednesday a last-ditch attempt by Democratic U.S. Sen. Robert Menendez to avoid trial on corruption charges. U.S. District Court Judge William H. Walls did not rule on the merits of Menendez's argument that the U.S. Supreme Court's decision to toss former Virginia Gov. Bob McDonnell's corruption conviction should invalidate his own indictment. But Walls said that should be determined at Menendez's trial, which is scheduled to start Sept. 6." <http://politi.co/2hKulPG>

***** **A message from the Coalition for Affordable Prescription Drugs (CAPD):** If you know only one fact about rising drug costs, know this one: drug makers set prices for prescription drugs. To help manage nearly double-digit price increases, employers, unions and government programs use PBMs to negotiate lower net prices to help curb costs for employers and patients. Learn more at affordableprescriptiondrugs.org *****

RIP -- JERRY GARCIA died 22 years ago today.

ANOTHER CONGRESSIONAL RETIREMENT -- "Congresswoman Niki Tsongas announces she will not run for reelection," by the Boston Herald's Chris Villani:

"Congresswoman Niki Tsongas, who has represented Lowell for nearly a decade, announced today that she will not run for reelection, citing a desire to spend more time with her family. [Tsongas' statement:] 'I have learned in life that there is a time for endings and for new beginnings. After much thought, I have decided that this is one of those times. The time feels right most especially because of my desire to spend more time enjoying and celebrating my wonderful and growing family.'" <http://bit.ly/2hJubgV>

THE CAMPAIGN AGAINST MCMASTER -- "The most well-organized campaign in the history of the alt-right' is targeting H.R. McMaster," by Business Insider's Natasha Bertrand: "The far right's crusade against national security adviser H.R. McMaster reached new heights last week, intensifying as Infowars founder Alex Jones invited an ultranationalist Russian political philosopher on his radio show to discuss 'globalist' threats to US President Donald Trump's agenda. Jones interviewed Aleksandr Dugin - who has been linked to Russian President Vladimir Putin and has close ties to Russian fascists and nationalists - as part of a segment attacking McMaster, who has come under fire from Trump's nationalist base for firing three National Security Council officials appointed by Michael Flynn, the former national security adviser. ... 'Globalists' like McMaster have made Russia 'enemy No. 1,' he said, because they need a battle to distract the public while they pursue their 'satanic' plans and 'destroy humanity.'" <http://read.bi/2wHZllp>

WEEK IN REVIEW -- "John Kelly is an apolitical force in a White House divided by ideology," by WaPo's Bob Costa and Phil Rucker: "As one [official] put it, the political atmosphere under Kelly is a contrast to when the White House was led by Priebus, a GOP stalwart who 'was trained to not work with Democrats and to see them as the enemy.' The general's 'job has been to develop consensus and negotiate solutions.' Kelly, who tersely answers phone calls with his surname and signs his emails the same way, has taken care even in one-on-one exchanges to remain cagey about his point of view. He talks broadly about 'what the president wants to do' or 'what is good for the country,' according to people who have interacted with him." <http://wapo.st/2hLdEJI>

COMING ATTRACTIONS -- "Judges sets Oct. 18 arguments in Trump foreign emoluments suit," by Josh Gerstein: "U.S. District Court Judge George Daniels issued an order Wednesday setting oral arguments for Oct. 18 on a suit the liberal watchdog group Citizens for Responsibility and Ethics in Washington filed in January. The suit argues that Trump's business ties run afoul of the Constitution's foreign emoluments clause, which bars federal officials from receiving benefits from foreign governments. The Justice Department's final response brief in the case is due Sept. 22." <http://politi.co/2hKloel>

WICHITA GOES HOLLYWOOD -- "Conservative Koch Brothers Are Secret Investors in 'Wonder Woman'," by The Hollywood Reporter's Tatiana Siegel: "Though they might be the most reviled figures among Hollywood's liberal crowd, the Koch brothers have been a silent investor in Warner Bros.' slate of movies for four years. Sources say Charles G. Koch and David H. Koch -- who are worth a combined \$96.2 billion and wield enormous power in political circles as major backers of right-wing

politicians -- took a significant stake valued at tens of millions of dollars in RatPac-Dune Entertainment. Now-Treasury Secretary Steven Mnuchin brought the brothers in as investors as part of a \$450 million deal struck in 2013 -- a move that was never disclosed because RatPac-Dune is a private company.

"Though Mnuchin is no longer involved with the slate financing facility, having recently put his stake into a blind trust in order to avoid a conflict of interest, the Koch brothers continue to be stakeholders in such films as Wonder Woman, Dunkirk and Steven Spielberg's upcoming Ready Player One. A RatPac spokesperson didn't respond to a request. A spokesperson for Koch Industries says, 'Charles Koch, David Koch and Koch Industries do not have any involvement with this investment.' The brothers aren't the only unlikely billionaires who have sunk money into the Warner Bros. deal. Sources say Mnuchin also brought in Bill Gates for an amount similar to the Koch brothers.'" <http://bit.ly/2fsJZ7h>

2020 WATCH -- "Tensions Flare as Cuomo Confronts Democratic Rift," by the NYT's Shane Goldmacher: "As he looks to heighten his national profile, criticizing the Republican health care bill and President Trump's immigration policy, Gov. Andrew M. Cuomo of New York has been forced to confront a political schism far closer to home. ... But after the election of Donald J. Trump, pressure has mounted on Mr. Cuomo to reunite his party.

"Reunification was the agenda of a strategy session last month in Mr. Cuomo's Midtown Manhattan office, attended by nearly two dozen Democratic state senators. When the discussion turned to how to best win elections, Mr. Cuomo suggested to the assembled lawmakers - many of them from New York City - that the leader of eight breakaway Democrats, Senator Jeffrey D. Klein, had a better understanding of the suburbs than they had.

"That was all Senator Andrea Stewart-Cousins, the African-American leader of the group who represents the suburbs of Westchester County, needed to hear. 'You look at me, Mr. Governor, but you don't see me. You see my black skin and a woman, but you don't realize I am a suburban legislator,' Ms. Stewart-Cousins said, according to the accounts of five people who were in the room. 'Jeff Klein doesn't represent the suburbs,' she said. 'I do.' Mr. Cuomo reacted in stunned silence." <http://nyti.ms/2fsZ20E>

WHAT? -- "GOP Sen. Ron Johnson: McCain's brain tumor might have been factor in no vote on health care," by CNN's Andrew Kaczynski: "Republican Sen. Ron Johnson of Wisconsin said Tuesday that he thinks that Sen. John McCain's brain tumor and the early morning hours may have affected the Arizona Republican's no vote on the Senate bill to repeal Obamacare. ... 'We did get a call from Paul (Ryan) and he assured us that skinny repeal was not going to pass the House it would have to go to conference,' said the Wisconsin senator on AM560 'Chicago's Morning Answer.' 'Again, I'm not gonna speak for John McCain -- he has a brain tumor right now -- that vote occurred at 1:30 in the morning, some of that might have factored in,' he continued." <http://cnn.it/2hK22X9>

TODAY'S BEYOND THE BELTWAY -- Bill Nelson targets Rick Scott -- Massachusetts sales tax weekend declared dead <http://politi.co/2fsdWo1>

SPOTTED: Tom Perez at Pret A Manger on the Hill this afternoon

MEDIAWATCH -- Our colleague, friend and fellow GW Hatchet alumna **Hadas Gold** is leaving POLITICO after five years. She is heading to CNN as a correspondent focused on European politics, media and global business and she starts in D.C. on Sept. 5.

Peter Canellos emails the POLITICO newsroom: "This is a unique and exciting opportunity for Hadas, but also an occasion to remember all the great work she's done for POLITICO, starting on the web team in 2013. Hadas is respected throughout the media world for her dogged but always fair-minded pursuit of news scoops. She is one of those reporters who will roll out of bed at any hour of the night or morning to jump on a competitive story. She is also a talented multi-media journalist, equally comfortable being interviewed in front of a camera and posing questions to others as the moderator of a panel discussion. All of her skills will be put to use as she moves beyond the media beat to explore European politics."

-- FUTURE OF MEDIA -- "Bloomberg Launches An Entirely New Model of Media," by AdWeek's Chris Ariens: "Bloomberg is leveraging its vast reach in financial data, its media heft and its broad-based, deep-dive research to be the world's next go-to management consultancy. ... The new consultancy will tap rich data from the Bloomberg terminals, the built-in research arms of Bloomberg Intelligence and Bloomberg New Energy Finance (BNEF) as well as its 2,700 journalists and analysts. ... [Bloomberg Media global chief commercial officer Andrew] Benett expects to hire 20 to 25 people to supplement ... specific practice areas, including financial services, tech and telecom, auto, government as well as luxury and lifestyle. ... The company already has 5 clients lined up: two in technology, one in financial services, one in auto and another in retail. Two clients, CA Technologies and Hartford Funds, have been working with Bloomberg for several years." <http://bit.ly/2vOiHhN>

IN CAMBRIDGE -- The Harvard Kennedy School Institute of Politics announced its fall class fellows, which includes **Yohannes Abraham, Dan Balz, Jason Chaffetz, Karen Finney, Sally Jewell** and **Mark Strand**. **Full release** <http://politi.co/2hKoFe1>

OUT AND ABOUT -- ChIPs, a non-profit dedicated to advancing women in technology, said farewell to former director of the U.S. Patent and Trademark Office Michelle Lee, who is heading back to Silicon Valley, with a gathering on the terrace of the law firm of Kellogg, Hansen, Todd, Figel & Frederick. **SPOTTED:** Pauline Newman, Jamie Spector, Kathy Kemper, Alan Davidson, Grace Koh and Sarah Harris.

******* A message from the Coalition for Affordable Prescription Drugs (CAPD) :**
The high prices that drug makers set for prescription drugs can put financial strain on patients, employers, unions and others who provide health care coverage to more than

50 percent of Americans. Pharmacy benefit managers negotiate the lowest net price for prescriptions on behalf of employers, unions and government programs. But, as list prices - the starting point for those negotiations -- continue their nearly double-digit increases, the effects ripple throughout the system. The key to ensuring greater access and affordability lies in fostering greater competition. Facilitating faster reviews of generics and biosimilars, identifying off-patent drugs with little or no generic competition, and ending anti-competitive practices that keep safe, effective alternatives out of the market are also key to abating rising drug costs for patients. Learn more at affordableprescriptiondrugs.org *****

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