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From: Anna Palmer Jake Sherman Daniel Lippman
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Subject: Playbook Power Briefing, presented by the Coalition for Affordable Prescription Drugs (CAPD): TRUMP goes after MCCONNELL again -- Big shakeup at Wells Fargo -- 2016 WARMEST YEAR on record -- SAM CLOVIS, POTUS' pick for top Ag post, stoked birtherism

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

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Happy Thursday afternoon. THE PRESIDENT, at 12:40 p.m.: "Mitch, get back to work and put Repeal & Replace, Tax Reform & Cuts and a great Infrastructure Bill on my desk for signing. You can do it!"

-- **KNOW THIS.** There is some consternation that these comments came as Trump is sitting at his golf course in New Jersey. McConnell has been attending events in Kentucky.

FROM A SENATE REPUBLICAN AIDE: "This makes about as much sense as sidelining Tom Brady because you didn't like his answer at a news conference. The reality is both men need each other to succeed. These tweets are unnecessary."

UNPACKING TRUMP VS. MCCONNELL. It's kind of difficult to truly fathom why **PRESIDENT DONALD TRUMP** thinks it wise to lambast Mitch McConnell, the Senate majority leader who has the loyalty of the overwhelming majority of Republican senators. McConnell holds the keys to Trump's entire agenda. Think of McConnell like the D.C. version of Michigan and Wisconsin -- Trump can't win without him. The base Trump needs to please is the 292 Republicans in Congress.

WE'VE spent the morning culling the knowledge of Trump world, Senate and House Republicans and POLITICO's top Hill mind -- the BUREAU CHIEF -- John Bresnahan. Here's what you need to know:

-- **YES, THIS TIFF IS COUNTERPRODUCTIVE.** Almost everyone we've spoken to acknowledges the back and forth between Trump and McConnell is not helpful. We're going into a September where Congress needs to raise the debt ceiling, fund government and pass a budget. And the White House is promising tax reform on top of that by the end of October (again, this probably won't happen). To have two of the most powerful men in Washington going back and forth is not a useful development if you are long on Washington. With McCain sidelined, McConnell has a 51-seat majority, and that

includes Sen. Susan Collins (R-Maine), who is independent minded, and Sen. Lisa Murkowski (R-Alaska), who Trump thoroughly angered. That's a string-thin margin, and that's a reality the Senate wants the White House to come to grips with.

-- **SOME OF THESE CRITICISMS ARE FAIR.** McConnell has made clear that he doesn't much care for the president's style. He thinks the phony deadlines set the White House up for failure, and he would prefer the president stay on message. And Trump is not happy that the health care bill failed under McConnell's watch -- neither is McConnell, to be honest.

-- **THE TRANSLATION.** McConnell is trying to tell Trump to get in the game. You want the debt ceiling lifted? Well, Mr. President, you're going to have to get your shoulder into it. You can't just say, "I want something to sign" and go on your way. You want tax reform? Don't use your health care strategy which was hands off, to put it generously. McConnell wants Trump to be the president. McConnell got Gorsuch through. Now he wants Trump to hold up his end of the bargain.

DOES JOHN KELLY -- a Marine -- think it's a good idea for Trump to be dumping all over the Senate majority leader?

SARAH HUCKABEE SANDERS during a gaggle at Bedminster on the McConnell/Trump feud, per pooler Gregory Korte of USA Today: "You can see the president's tweets. Obviously there's some frustration. I don't have anything more to add."

THE PRESIDENT will appear in front of a pool spray at 4 p.m. today. **WILL HE TALK ABOUT MCCONNELL?**

BREAKING: "2016 broke global temperature records -- again," by Emily Holden: "2016 was the warmest year on the Earth's surface in nearly 150 years of measuring, scientists said today in an international report that also found the highest sea levels since 1993 and the highest carbon dioxide concentrations in about 800,000 years. It was the third year in a row to set a new global temperature record."

<http://politi.co/2usP2Lp>

***** **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 *****

IMPORTANT MID-DAY READ -- "Deep Divisions Emerge in Trump Administration as North Korea Threatens War," by NYT's Peter Baker in Bridgewater, New Jersey, and Gardiner Harris in Kuala Lumpur, Malaysia: "The spiral of fighting words left the Trump administration debating how to handle a standoff that has defied three presidents and only grown more ominous in recent weeks as North Korea successfully tested

intercontinental ballistic missiles for the first time. Neither Mr. Tillerson nor Mr. Mattis had reviewed in advance Mr. Trump's threat on Tuesday, when he said North Korea 'will be met with fire and fury like the world has never seen.' And the dissonance in their own follow-up statements reflected the struggle inside the Trump administration. ...

"Alexander Vershbow, a former ambassador to South Korea, said the Trump administration 'policy seems incoherent' and the threat of military action 'will likely harden the North Koreans' stance' and make it more difficult to get China to follow through on its support for the United Nations sanctions.

"If denuclearization is still the goal, the only way to get there is through increased Chinese pressure,' Mr. Vershbow said. 'Since there is no viable military option, the only other course of action is to develop a long-term deterrence and containment strategy -- but that means accepting the unacceptable,' North Korea as a nuclear power."

<http://nyti.ms/2vmNBNw>

MIKE DUFFY on TIME'S NEW COVER -- "Why General John Kelly is Trump's Last Hope": "So began a new era at Donald Trump's White House, one that might be his best, or last, chance for success. Almost overnight, Kelly shut the always-open door to the Oval Office, sent hangers-on back to their desks, fired the combustible communications director Anthony Scaramucci and told all the leaders of all the many White House factions to report to him, not to the President. No one knows whether Kelly will succeed, how long he might last or if the general's starched-shirt discipline will be rejected by the client. Early results were mixed, and skeptics are not hard to find. But Kelly clearly arrived with a mission: to fix a broken system that the nation and the world depends on every day to keep the ship called Earth in the middle of the channel."

<http://ti.me/2upGsgK> ... **See the cover:** <http://bit.ly/2uqimSl>

--@maggieNYT: "This type of cover has always gone so well for folks with Trump in the past".

TRACKING MUELLER -- "With Bank Subpoenas, Mueller Turns Up the Heat on Manafort," by Bloomberg's Christian Berthelsen and Greg Farrell: "U.S. special counsel Robert Mueller is bearing down on former Trump campaign chairman Paul Manafort as he directs a wide-ranging probe into Russian interference in last year's presidential election. Mueller's team of investigators has sent subpoenas in recent weeks from a Washington grand jury to global banks for account information and records of transactions involving Manafort and some of his companies, as well as those of a long-time business partner, Rick Gates, according to people familiar with the matter. The special counsel has also reached out to other business associates, including Manafort's son-in-law and a Ukrainian oligarch ... Those efforts were characterized as an apparent attempt to gain information that could be used to squeeze Manafort, or force him to be more helpful to prosecutors." <https://bloom.bg/2vSNeLg>

BUSINESS BLITZ -- "Embattled Wells Fargo Plans Board Shake-Up," by WSJ's Emily Glazer: "The board of Wells Fargo, grappling with fresh problems even as it tries

to move past the bank's sales-practices scandal, is planning a shake-up that is likely to include Steven Sanger stepping down as nonexecutive chairman, according to people familiar with the matter. Directors are aiming to make final decisions on any changes by Labor Day, some of the people said. Mr. Sanger is expected to step down before the bank's shareholder meeting next spring, one of these people said. Vice Chair Elizabeth Duke, a former Federal Reserve governor, is then likely to take the top spot, some of these people said." <http://on.wsj.com/2usD3gU>

-- **KELLY AYOTTE** has joined the board of Caterpillar. <http://bit.ly/2wxPiX8> ...

COMPENSATION IN 2016 for board members was roughly \$275,000. **AYOTTE** is also on the board of News Corp.

FORMER VIRGINIA GOP REP. RANDY FORBES is joining Greenberg Traurig's office in D.C.

HE'S NOT GONNA LIKE THIS -- "Sebastian Gorka, the West Wing's Phony Foreign-Policy Guru," by Bob Dreyfuss in Rolling Stone: "Gorka views himself as a 'utility infielder, especially in the field of counterterrorism,' and claims to provide behind-the-scenes advice to Trump on how to fight terrorism, while serving under the wing of Steve Bannon, his former boss at Breitbart. 'It's surreal and quite horrifying that someone who's such an amateur has reached such heights,' says David Ucko, associate professor in the Department of War and Conflict Studies at National Defense University. Adds Michael S. Smith II, a veteran terrorism analyst who's had unpleasant run-ins with Gorka, 'This is not somebody who should be working anywhere near the White House.' Even more bluntly, a colleague of Smith's, Cindy Storer, an ex-CIA terrorism analyst, said, 'He's nuts.'" <http://rol.st/2uJyWbA>

CUE: JUBILATION ON FIRST ST SE -- "The Democratic Party's Looming Fundraising Crisis," by Michael Whitney in POLITICO Magazine: "As one of the people who led Senator Bernie Sanders' fundraising operation during the 2016 primaries, I watched Donald Trump's campaign take many of our ideas and duplicate them, employing language and tactics nearly identical to those we used on the Sanders campaign. What we found to be most powerful wasn't just hiring the right people or using the right technology. What mattered more was figuring out an empowering message of hope and reaching people with it. In the Trump era, the Democratic Party has sputtered along with fundraising appeals focused on scare tactics-understandable, but counterproductive. Meanwhile, Trump-a billionaire who is already president-is still winning grass-roots donors by offering his supporters an empowering message." <http://politi.co/2uJIFPa>

TRUMP'S CHIEF AG SCIENTIST PICK -- "Trump pick Sam Clovis stoked birther conspiracy, called Eric Holder a 'racist black'," by CNN KFILE's Andrew Kaczynski, Chris Massie, and Paul LeBlanc: "Sam Clovis, Donald Trump's pick to be chief scientist for the Department of Agriculture, pushed unfounded theories about then-President Barack Obama's upbringing and called then-Attorney General Eric Holder a 'racist black,' a CNN KFile review of Clovis's writings and radio broadcasts during 2012 and

2013 has found. Clovis was a conservative radio host and political activist in Iowa before gaining national attention as one of the more vocal supporters of Trump during the presidential campaign. His nomination to head science at the USDA requires Senate confirmation. ...

"The material shows how Clovis regularly engaged with fringe theories that were prevalent in the right-wing radio and blogosphere during Obama's presidency. Clovis did not return a request for comment. A spokesperson for the USDA and the White House also did not respond to emails requesting comment. In a 2012 blog post archived on the website for the Sioux City-based radio station KSCJ, Clovis raised questions about Obama's biography that echoed some of the theories pushed by those in the birther movement who claim that Obama isn't an American citizen." <http://cnn.it/2uJIZxC> ... **KFILE's research** <http://cnn.it/2uJqFEM>

NEEDLING TRUMP -- TIM BURGER in Town and Country, "Is John McCain's Pick to Lead the International Republican Institute a Strike Against Donald Trump?":

"Republicans say the maverick from Arizona, who cast that vote after being diagnosed last month with a brain tumor, has figuratively showed Trump another finger by announcing Daniel Twining, a vocal never-Trumper, as the new president of the International Republican Institute. The IRI is the GOP's democracy-building organization, the twin of the National Democratic Institute, which is chaired by heavy hitter Democrat Madeleine Albright. As the longtime chairman of the IRI, McCain chairs its board and plays a key role in choosing its leadership-and that choice can send a signal. A onetime foreign policy advisor to McCain, Twining is currently counselor and director of the Asia Program at the German Marshall Fund of the United States ... Turns out Albright has something else in common with Twining: She and McCain's new IRI president both endorsed Hillary Clinton for president last year." <http://bit.ly/2vqd2vY>

VINEYARD UPDATE - "Do Businesses Need Foreign Workers? Martha's Vineyard Is Finding Out -- Shortage of H-2B visas hits summer-season hiring, triggering a search for American employees and novel workarounds," by WSJ's Laura Meckler in Vineyard Haven: "Jamaicans and other foreign workers have long powered the summer economy in the upscale tourist haven of Martha's Vineyard, cleaning hotel rooms, waiting tables and mixing fudge. This year, many local businesses had to come up with a Plan B. Facing a shortage of foreign laborers, local restaurants have reduced hours of operation and pared back menus.

"Managers are cleaning hotel rooms, laundry is piling up and at least one restaurant is using disposable cups to ease the dishwashers' load. The problem is a scarcity of the H-2B visas used to bring foreign seasonal workers to the U.S. It has affected many resorts and other businesses that depend on such workers, including Alaskan fisheries. Isolated locations such as Martha's Vineyard-it has a tiny year-round population and is accessible only by ferry or plane-are especially vulnerable." <http://on.wsj.com/2utdyln>

MEDIAWATCH -- SEWELL CHAN has been named the first international news editor at the New York Times. He previously oversaw breaking news in London for the Times.

Full release <http://bit.ly/2uJJWGc>

-- **AL FRANKEN'S** newest book, *Giant of the Senate*, has jumped back up to number one on the New York Times' nonfiction best sellers' list <http://politi.co/2usCWC8>

SPOTTED: Steve Schmidt, Sheila Johnson and Catherine Reynolds and Matt Brooks dining at separate tables at Mirabelle on Wednesday night.

TRANSITIONS -- Mike Senich has joined Majority Strategies as director of sales operations. He previously worked at Facebook and is a Boehner alum. ... **Susan Phalen** is the new director of external affairs at FEMA. She was previously on the Hill as a comms director for several committees.

WELCOME TO THE WORLD -- Colin Jones, director of social at the Daily Beast and an MSNBC, Vice and N.Y. Daily News alum, and **Lindsey Jones**, a butcher at Fleishers Craft Butchery in Brooklyn, post on Twitter: "Meet Jasper Patrick Jones. This little dude was born [Wednesday] at 3:05 p.m. Mom and kiddo are doing great. I love him so damn much." **Three pics on one page** <http://bit.ly/2vST4wW>

***** **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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