

To: Leila_Getto@ios.doi.gov[Leila_Getto@ios.doi.gov]
From: Tucker, Chris
Sent: 2017-08-09T11:25:37-04:00
Importance: Normal
Subject: FW: POLITICO Playbook, presented by the Coalition for Affordable Prescription Drugs (CAPD): TRUMP on North Korea in '99 MTP intvw -- MCCONNELL hits back at Trump -- ELIANA JOHNSON on NICK AYERS -- TRUMP's propaganda folder -- SCOOP on RNC surrogate bookin
Received: 2017-08-09T11:27:21-04:00

Happy Birthday!

From: Anna Palmer Jake Sherman Daniel Lippman [mailto:politicoplaybook@politico.com]
Sent: Wednesday, August 09, 2017 6:50 AM
To: Tucker, Chris
Subject: POLITICO Playbook, presented by the Coalition for Affordable Prescription Drugs (CAPD): TRUMP on North Korea in '99 MTP intvw -- MCCONNELL hits back at Trump -- ELIANA JOHNSON on NICK AYERS -- TRUMP's propaganda folder -- SCOOP on RNC surrogate booking

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

08/09/2017 06:46 AM EDT

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DRIVING THE DAY

Good Wednesday morning. DONALD TRUMP on North Korea, in a 1999 interview with the great Tim Russert on NBC's "Meet the Press":
RUSSERT: "You say ... as president, you would be willing to launch a preemptive strike against North Korea's nuclear capability." **TRUMP:**

"First I'd negotiate. I would negotiate like crazy. And I'd make sure that we tried to get the best deal possible. Look, Tim. If a man walks up to you on a street in Washington, because this doesn't happen, of course, in New York ... and puts a gun to your head and says give me your money, wouldn't you rather know where he's coming from before he had the gun in his hand?"

"And these people, within three or four years, are going to be having nuclear weapons, they're going to have those weapons pointed all over the world, and specifically at the United States, and wouldn't you be better off solving this really ... the biggest problem the world has is nuclear proliferation ... If that negotiation doesn't work, you better solve the problem now than solve it later, Tim ... Jimmy Carter, who I really like, he went over there, so soft, these people are laughing at us." ...

RUSSERT: "Taking out their nuclear potential would create a fallout."

TRUMP: "Tim, do you know that this country gave them nuclear reactors, free fuel for 10 years. We virtually tried to bribe them into stopping and they're continuing to what they're doing. And they're laughing at us, they think we're a bunch of dummies. I'm saying that we have to do something to stop." **RUSSERT:** "If the military told you, 'Mr. Trump, you can't do this'". **TRUMP:** "You're giving me two names. I don't know. You want to do it in five years when they have warheads all over the place, every one of them pointing to New York City, to Washington and every one of our -- is that when you want to do it? Or do you want to do something now?" **2-min video** <http://bit.ly/2uFdOU7>

-- **NOTE :** Trump talks about being laughed at -- just like he does today. But he -- along with many others -- was right about the escalating threat.

THE LATEST ON NORTH KOREA ...

-- **"Trump, North Korea trade escalating threats of fire,"** by AP's Foster Klug and Matthew Pennington in Seoul, South Korea: "In an exchange of threats, U.S. President Donald Trump warned Pyongyang of 'fire and fury like the world has never seen' and the North's military claimed Wednesday it was examining plans for attacking Guam. The

high-level tit-for-tat follows reports that North Korea has mastered a crucial technology needed to strike the United States with a nuclear missile. Despite regular North Korean threats against Guam, a U.S. territory in the Pacific about 2,100 miles ... from the Korean Peninsula, it is extremely unlikely that Pyongyang would risk the assured annihilation of its revered leadership with a pre-emptive attack on U.S. citizens. It's also not clear how reliable North Korea's mid-range missiles would be in an attack against a distant target given the relatively few times they've been tested.

"Even so, the competing threats and Trump's use of North Korea-style rhetoric -- Pyongyang has long vowed to reduce Seoul to a 'sea of fire' -- raise already high animosity and heighten worries that a miscalculation might spark conflict between the rivals. The North Korean army said in a statement that it is studying a plan to create an 'enveloping fire' in areas around Guam with medium- to long-range ballistic missiles. The statement described Andersen Air Force Base on Guam as a 'beachhead' for a potential U.S. invasion of North Korea it needed to neutralize. It was unlikely the North's threat was a direct response to Trump's comments to the camera at his golf course in Bedminster, New Jersey."

<http://bit.ly/2vMwIwh>

-- **NYT's** Julie Hirschfeld Davis: "President Trump's warning on Tuesday that North Korea would experience 'fire and fury like the world has never seen' if it continued threatening the United States was a remarkable escalation of military rhetoric with little precedent in the modern era, historians and analysts said. Mr. Trump's menacing remarks echoed the tone and cadence of President Harry S. Truman, who, in a 1945 address announcing that the United States had dropped a nuclear bomb on Hiroshima, urged the Japanese to surrender, warning that if they did not, 'they may expect a rain of ruin from the air, the like of which has never been seen on this earth.'" <http://nyti.ms/2vN1yoH>

-- **WSJ:** "Meanwhile, a senior Trump administration official said Tuesday that Washington shouldn't assume it will be able to contain a North Korea with nuclear-armed intercontinental ballistic missiles

through traditional deterrence methods. 'We are not going to allow North Korea to hold American cities hostage,' the official said."

<http://on.wsj.com/2wGHaml>

FORMER DEFENSE SECRETARY LEON PANETTA via California Playbooker Carla Marinucci: "You've got two bullies chiding each other with outrageous comments - and it doesn't help the situation in terms of trying to resolve something that has to be resolved peacefully ... because the consequences of nuclear war would be devastating ... The question is: 'Does (Trump) get so frustrated with the North Korean leader -- who's yelling every other day -- that he feels that somehow the North Korean leader is attacking his manhood?'" <http://politi.co/2uFpZAK>

PACIFIC (GUAM) DAILY NEWS: "The U.S. Air Force has said that members of the 37th Expeditionary Bomb Squadron, deployed to Guam from Ellsworth Air Force Base in South Dakota are ready to 'fight tonight' from Guam. During a 10-hour mission from Andersen Air Force Base, Guam, on Monday, two B-1s were joined by Japan Air Self-Defense Force F-15s as well as Republic of Korea Air Force KF-16 fighter jets. 'These flights with Japan and the Republic of Korea (ROK) demonstrate solidarity between Japan, ROK and the U.S. to defend against provocative and destabilizing actions in the Pacific theater,' according to a release from the Air Force."

-- ALSO IN THE GUAM NEWSPAPER: "'This is not the time to panic,' [Gov. Eddie] Calvo told reporters during a press conference at Adelup on Wednesday afternoon. 'There have been many statements out there that have been made by a very bellicose leader, but at this point there's been no change in the security situation here on Guam. I've gotten assurances from all levels, both local command and Washington, D.C., that this island will be defended.' ...

"Guam Homeland Security Advisor George Charfauros said the island is protected by the Terminal High Altitude Area Defense, or THAAD, missile system permanently stationed at Andersen Air Force Base as well as other missile defense systems in the region. 'All of those put together, there's .00001 percent chance of that missile getting

through that layer,' Charfauros said during the conference."

<http://bit.ly/2wGLrWL>

-- WHAT THEY'RE SAYING AT THE PENTAGON ...

-- **@nancyayoussef**: "Overheard at the Pentagon, in response to Trump's promise of fury for NK: 'Don't worry, DoD took away the codes. The briefcase is empty.'" ... **@jacqklimas**: "Overheard at the Pentagon: 'I'm selling fallout shelters after work if anyone is interested.'"

******* 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

THE COST OF THAT FOXCONN/WISCONSIN DEAL -- MILWAUKEE JOURNAL SENTINEL: "Wisconsin taxpayers would need until 2043 to recoup nearly \$3 billion in Foxconn payments," by Jason Stein and Patrick Marley: "The analysis by the Legislature's nonpartisan budget office determined that if the Foxconn Technology Group plant operated at full expected employment levels -- and attracted large numbers of jobs to Wisconsin through supplier companies -- then state taxpayers would recoup their investment in 2043.

"In Foxconn's industry -- the competitive world of consumer electronics -- the market could see multiple upheavals over those two and a half decades The report by the Legislative Fiscal Bureau relied on projected jobs and investment numbers generated by Gov. Scott Walker's administration and a consulting firm paid by Foxconn."

<http://bit.ly/2fsXfc6>

NEW POLITICO/MORNING CONSULT POLL -- Steven Shepard: "[T]rump's approval rating [has slipped] to the lowest point of his young presidency. While he's confounded the polls before, it's the trendline that

should be most worrisome to the White House. Only 40 percent of registered voters approve of the job Trump is doing as president, the new POLITICO/Morning Consult poll shows, down from a high-water mark of 52 percent in March. And the percentage who approve strongly -- one way to measure the size of Trump's most fervent supporters -- is also at a new low: just 18 percent." <http://politi.co/2vMTuEq>

-- A MEASURE OF GOOD NEWS FOR TRUMP, via Shepard: "Voters support most elements of President Donald Trump's proposal to scale back legal immigration to the United States and change the criteria by which the U.S. admits immigrants, according to a new POLITICO/Morning Consult poll." <http://politi.co/2uowQic>

TOP-ED -- WSJ VS. BANNON -- "McMaster and the Commander: The NSC adviser is the latest target of Steve Bannon's media friends": "The latest target has been H.R. McMaster, the three-star general who took over as national security adviser after President Trump fired Michael Flynn. Lt. Gen. McMaster has come in for abuse for favoring more troops and a new strategy in Afghanistan, for warning that Vladimir Putin is no friend of America, and for advising that Mr. Trump not precipitously withdraw from the Iran nuclear deal. He also recently dismissed some NSC staff members who were brought on by Mr. Flynn and are said to be allies of Mr. Bannon. ...

"Somehow the Bannon brigades outside the White House decided to assail the general as insufficiently pro-Israel and not hostile enough to Islamic State, among other calumnies. The latter is especially preposterous since then Colonel McMaster developed the counter-insurgency strategy in Tal Afar that was the prototype for the 2007 'surge' that won the Iraq War. ...

"Mr. Trump may worry about the damage Mr. Bannon and his allies could do to his Administration if he is no longer part of the White House team. But if his minions continue to vilify his colleagues inside the White House, how can anyone tell the difference?"

<http://on.wsj.com/2vIMMTH>

PRESIDENT DONALD TRUMP endorsed Luther Strange in the Alabama primary on Twitter. **@realDonaldTrump** at 9:16 p.m.: "Senator Luther Strange has done a great job representing the people of the Great State of Alabama. He has my complete and total endorsement!"

-- TALE OF TWO DISCLOSURES: The Senate Conservatives Fund, which is supporting Rep. Mo Brooks (R-Ala.) in the Aug. 15 primary, dropped \$45,123 yesterday in his favor. The Senate Leadership Fund, which is supporting Strange, dropped \$629,459 against Brooks and Roy Moore on the same day.

MCCONNELL HITS BACK -- "McConnell criticizes Trump's 'excessive expectations'," by CNN's Ryan Nobles: "Senate Majority Leader Mitch McConnell offered some of his toughest criticism yet for President Donald Trump in a speech Monday to a Rotary Group in northern Kentucky. McConnell, who has been relatively measured in his previous critiques of the White House, argued the President's approach to the legislative process is leading to an inaccurate impression of how Congress works. 'Our new president, of course, has not been in this line of work before,' said McConnell according to CNN affiliate WCPO which covered the event. 'I think he had excessive expectations about how quickly things happen in the democratic process.'

"McConnell made the case that the Congress is working as it should and that voters should allow the process to play itself out before passing judgment. 'Part of the reason I think people think we're under-performing is because of too many artificial deadlines unrelated to the reality of the legislature which may have not been understood.' ... And while McConnell told the audience Monday that he believes the lines of communication between the executive and legislative branch remain strong, he did admit that he wished the President would tweet less and stay on message more. 'I've been and I will be again today, not a fan of tweeting and I've said that to him privately,' McConnell said. 'I think it would be helpful if the President would be a little more on message.'"

<http://bit.ly/2wsWtzO>

-- IT'S WORTH NOTING : McConnell criticizing Trump is indeed a shift.

His comments come after Trump took to Twitter to criticize Senate rules after the GOP health care bill failed -- a trop McConnell doesn't much appreciate. The comments also represent the growing frustration in Congress that Trump just doesn't get how Washington works and that the Hill could end the year without a single meaningful legislative achievement in an all GOP D.C.

SHOT -- @seanhannity at 3:11 p.m.: "In light of dangerous NKorea threat, I'm stopping all petty political disagreements for at least next 12 hours. Let's see what others do."

CHASER -- @seanhannity at 11:03 p.m. and again at 5:30 a.m.: "@SenateMajLdr No Senator, YOU are a WEAK, SPINELESS leader who does not keep his word and you need to Retire!" ***This was in response to the above story, which has McConnell saying Trump's expectations were out of line.*** ... This is extraordinarily strong language from Hannity, a Trump friend and supporter.

ELIANA JOHNSON: UNDERSTANDING PENCE WORLD -- "Mike Pence's real power move": "The vice president's office hasn't been one of the competing power centers in President Donald Trump's faction-riven White House - but the recent arrival of Nick Ayers, the veteran campaign operative now serving as Mike Pence's chief of staff, is starting to change that. Ayers' hire, according to interviews with eight current and former administration officials, was less about a secret campaign to challenge Trump in 2020 and more about helping the vice president - who, at just 58, has a political future ahead of him in the post-Trump era preserve his future political options, whatever they may be.

"A veteran political operative, Ayers had for months been quietly warning the vice president that Trump's troubles could cause collateral damage and that he needed to take a more aggressive posture on a range of issues to ensure he enters the post-Trump era on solid ground, according to two White House officials. ... Among the reasons Ayers didn't join the White House in January was a long-running feud with former White House chief of staff Reince Priebus, who reportedly blocked his ascension to the chairmanship of the [RNC] in December

and, according to one White House aide, worked to keep him out of the administration. ...

"Ayers is around to ensure that if Trump is out of the picture for one reason or another his man will be ready. He is elbowing his way into meetings at which the vice president was previously unrepresented and, while [Josh] Pitcock would limit himself to delivering brief updates on Pence's upcoming events, Ayers freely shares his views on the White House's messaging and political strategy. He is making himself a ubiquitous figure, pacing the hallways, talking on his cellphone. 'He walks around like he owns the place,' said a senior White House aide."

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

THE SQUAD -- "Trump Aides Copy Bush 'Red Team' Strategy for Tax Overhaul Fight," by Bloomberg's Justin Sink, Jennifer Jacobs and Sahil Kapur: "[A] weekly, all-hands-on-deck meeting ... usually held around a long wooden table in the Roosevelt Room steps away from the Oval Office, include[s] representatives of major power centers within the administration: the Office of American Innovation, led by Trump son-in-law Jared Kushner, the Treasury Department, headed by Secretary Steven Mnuchin, Vice President Mike Pence's staff and Gary Cohn's National Economic Council. Inside the White House, the assemblage is known as 'The Red Team,' a term used in former President George W. Bush's administration for similar groups organized for major fights. It's taken from military and corporate parlance for a team that explicitly tests strategy from an opponent's perspective. But the Trump team is using the label more broadly to convey a sense of urgency and close coordination." <https://bloom.bg/2wGNcDz>

-- JUST A THOUGHT: They might want to include the legislative affairs team, which is working the Hill on a daily basis.

THE REALITY -- "Trump deportations lag behind Obama levels," by Ted Hesson: "The U.S. is deporting people more slowly than during the Obama administration despite President Donald Trump's vast immigration crackdown, according to new data from U.S. Immigration and Customs Enforcement. From Feb. 1 to June 30, ICE officials

removed 84,473 people -- a rate of roughly 16,900 people per month. If deportations continue at the same clip until the fiscal year ends Sept. 30, federal immigration officials will have removed fewer people than they did during even the slowest years of Barack Obama's presidency. In fiscal year 2016, ICE removed 240,255 people from the country, a rate of more than 20,000 people per month." <http://politi.co/2vifRRu>

THE DOUGH -- "Special counsel Robert Mueller's finances go public," by Josh Gerstein and Darren Samuelsohn: "When special counsel Robert Mueller took his new job in May, he gave up a law firm partnership in which he had made almost \$3.5 million since the beginning of 2016, according to a financial disclosure released by the Justice Department on Tuesday.

"Mueller's client list from his former firm, WilmerHale, reads like a who's who of America's most prominent businesses, including Facebook, Apple, Intel, Sony Pictures, Booz Allen Hamilton and the National Football League. Mueller was also on the paid-speaking circuit in recent years, addressing businesses like Goldman Sachs, charities and lecture series, as well as lobbying groups like the Nuclear Energy Institute and the Insurance Information Institute. Mueller's speaking engagements brought him about \$241,000 since the beginning of 2016, the report says. ...

"Mueller's disclosure lists assets belonging to him and his spouse valued at a total of between \$4.2 million and \$15.2 million. ... Mueller's legal work for Facebook is notable because that company could potentially hold valuable data for his investigation."

<http://politi.co/2uEN5qH>

-- "President Trump has sent private messages to Russia special counsel Robert Mueller," by USA Today's David Jackson and Kevin Johnson: "President Trump has publicly called the widening federal investigation into Russia's election meddling a 'witch hunt.' But through his lawyer, Trump has sent private messages of 'appreciation' to special counsel Robert Mueller. 'He appreciates what Bob Mueller is doing,' Trump's chief counsel John Dowd told USA TODAY in an interview

Tuesday. 'He asked me to share that with him and that's what I've done.'
... Dowd says he has passed along the president's messages expressing
'appreciation and greetings' to the special counsel. ... [T]he Trump legal
camp cast the communications as a sign that the president is willing to
cooperate with Mueller." <https://usat.ly/2vMdHdF>

-- **Mariam Khan (@MKhan47)**: "The Trump Campaign handed over
20,000 documents to Senate Judiciary investigators on August 2, a
Judiciary spokesman confirms to @ABC."

THE JUICE ...

-- **AMERICAN ACTION NETWORK** is launching a \$2.5 million TV ad
campaign to push tax reform. The new ad, titled "Laid Off," features a
former Ohio metal worker and father telling his story about why he lost
his job due to the outdated U.S. tax code. The ad will air on national
cable and 24 congressional districts. **List of districts**
<http://bit.ly/2hIdwdD> ... **The ad** <http://bit.ly/2uoL5HT>

-- **FIRST IN PLAYBOOK**: The RNC is outsourcing some of its surrogate
media booking to GuestBooker, an outside vender. This is an unusual
setup for a political operation in D.C. Ryan Mahoney, the committee's
communications director, says the RNC is putting a bigger emphasis on
putting people on air to tout Republican positions and advocate for
President Donald Trump. They are also more than doubling the size of
their communications operation, they say.

NYT'S STEPHEN CROWLEY HANGS IT UP -- *interview, with 23*
photos on one page <http://nyti.ms/2uFJ2Kt>

--**SHEALAH CRAIGHEAD INTERVIEW -- "What it's like to be**
President Trump's White House photographer" -- PBS Newshour
<http://to.pbs.org/2uocNAi>

PLAYBOOK ON THE ROAD -- With everyone headed out of town on
vacation, or back to their districts, we are starting a new August feature:
Playbook on the Road. Send us a photo of yourself, or others reading
Playbook during your travels this month and we will feature five photos

every Friday. Participating Playbookers will automatically be entered into a drawing to win a signed cartoon by POLITICO's Pulitzer winning cartoonist Matt Wuerker. Email photos to Daniel at daniel@politico.com. Or, Tweet them to @playbookplus with the hashtag #PlaybookLoyal.

PLAYBOOK READS

PHOTO DU JOUR: Defense Secretary Jim Mattis and Vietnam Defense Minister Gen. Ngo Xuan Lich participate in an enhanced honor cordon at the Pentagon on Aug. 8. | Andrew Harnik/AP Photo

DEPT OF THAT'S NOT HOW THIS WORKS -- JOSH RAFFEL
PROFILE -- "Behind The Jared And Ivanka PR Machine: When reporters are working on stories that involve Jared Kushner and Ivanka Trump, they hear from Josh Raffel, a tough, former New York City flack now inside the White House," by BuzzFeed's Steven Perlberg: "On a Thursday late last month, shortly before the New Yorker published its famous interview with Anthony Scaramucci, Jared Kushner paused in the West Wing to chat with ABC's Jonathan Karl and his daughter, who worked as a CNN summer intern. Kushner told Karl's daughter that it must be interesting to be a reporter, because you always have to figure out who is going to lie to you, according to two people familiar with the matter. When Kushner thought he noticed another reporter, New York magazine's Olivia Nuzzi, recording the exchange, he was startled and said it was off the record. He then uncomfortably asked Nuzzi to delete the recording, which she did not do.

"A few minutes later, after Kushner had left, a Secret Service agent and a press assistant approached Nuzzi and told her she was not permitted to record. (She is.) The exchange offered a brief look into Kushner's awkwardness sometimes when it comes to dealing with the press. Luckily for him, it's a responsibility that typically falls to a 33-year-old White House spokesperson and key lieutenant: Josh Raffel. A

product of the ruthless New York corporate arena, Raffel conducts the 'blocking and tackling' for Kushner and his wife, Ivanka Trump, routinely making the couple available for off-the-record chats, sources say. He's smart and good-humored, and reporters who've battled with him say he comfortably oscillates between friendly chatter and aggressiveness. One White House reporter said he's the most competent staffer in the West Wing." <http://bzfd.it/2frUojB>

SAME HERE -- "Trump gets a folder full of positive news about himself twice a day," by Vice's Alex Thompson: "Twice a day since the beginning of the Trump administration, a special folder is prepared for the president. The first document is prepared around 9:30 a.m. and the follow-up, around 4:30 p.m. Former Chief of Staff Reince Priebus and former Press Secretary Sean Spicer both wanted the privilege of delivering the 20-to-25-page packet to President Trump personally, White House sources say. These sensitive papers ... don't contain top-secret intelligence or updates on legislative initiatives. Instead, the folders are filled with screenshots of positive cable news chyrons (those lower-third headlines and crawls), admiring tweets, transcripts of fawning TV interviews, praise-filled news stories, and sometimes just pictures of Trump on TV looking powerful ...

"The process of assembling the folder begins at the [RNC's] 'war room,' which has expanded from 4 to 10 people since the GOP won the White House. ... Every 30 minutes or so, the staffers send the White House Communications Office an email with chyron screenshots, tweets, news stories, and interview transcripts. ... On days when there aren't enough positive chyrons, communications staffers will ask the RNC staffers for flattering photos of the president. ... Contacted by VICE News, Spicer disputed the nature of the folder. 'While I won't comment on materials we share with the president, this is not accurate on several levels,' he said in an email. Asked what about the story was inaccurate, Spicer did not respond." <http://bit.ly/2vimlzM>

WHAT ZI OJAKLI IS READING -- "Bill Ford Thinks His Company Lacks Vision-and That He Can Fix It," by WSJ's Christina Rogers and

Joann S. Lublin: "Two decades ago, when Bill Ford took the helm of his family's auto company, he was ready to talk about the coming shift to electric vehicles and the eventual demise of car ownership. His ideas were dismissed. At one point, when he wanted Ford Motor Co. to invest in developing alternative transportation, 'the board kind of looked at me like once again I was over my ski tips,' Mr. Ford said in an interview.

"As years went by , other auto makers and tech companies got on board with his way of thinking. They overtook Ford in electric and self-driving technologies, and in April, Tesla Inc., which sells stylish electric cars, passed Ford in investor value, a dashboard warning signaling Wall Street's skepticism about the growth prospects of traditional car makers. Ford was being left behind, and the man with his name on the door, who for years had largely deferred to management, decided to intervene."

<http://on.wsj.com/2unYFat>

******* A message from the Coalition for Affordable Prescription Drugs (CAPD):** Pharmacy benefit managers negotiate the lowest net price for prescriptions on behalf of employers and other health care purchasers; however, the list price - the important starting point for those negotiations -- continues to rise, at a rate of nearly ten percent in 2016 alone. Increased competition, faster reviews of generics and biosimilars and ending anti-competitive practices can also bring down the cost of medications for patients. Learn more at affordableprescriptiondrugs.org *****

BEHIND THE SCENES -- GOTHAM WATCH -- "Emails reveal de Blasio bullies his staffers," by N.Y. Post's Michael Gartland: "Mayor de Blasio is an imperious bully of a boss who threatens his underlings with dire punishment if they fail to meet his demands, emails obtained by The Post reveal. 'What do I need to get you guys to follow a direct order? Do you need to experience consequences?' he threatened in one 2015 diatribe. 'I'm not raising this again: fix it, or I will [have] no choice but to find a way to penalize people. Not my preference, but I won't have my instructions ignored.' The emails show de Blasio blowing his top at nearly a dozen aides for failing to make sure phonetic versions of

challenging words were included in his speeches and talking points."

<http://nyp.st/2wsHmWX>

NICK BILTON in Vanity Fair, "Mark Zuckerberg's Political Ambitions Are Grander Than You Think: He's probably going to seek higher office one day, and it looks like he's already preparing for the job": "Over the years, I've spent some time with Zuckerberg, and I always got the feeling that he truly believed there wasn't a problem that technology couldn't solve. ... Lately, however, it appears that he has realized that there is another darker side to all of this technology. ...

"Zuckerberg's greatest challenge ... is that his profound wealth and success have made it far harder to understand what aggrieves most Americans. They aren't just worried about what Trump will do to our country-or whether our planet is overheating, or if we're playing a short-sighted game of chicken with the North Koreans, or if the Democrats (or Republicans) have any viable alternatives-but they are also worried about how they will be able to pay for their kids to go to college, or for winter clothes, or, in some cases, for the very next meal. ...

"And yet, at the same time, his skills and experience have put him in a rare position to remedy so much of what ails us. As he evidenced at Harvard, Zuckerberg appears aware of these existential fears. But the big question that hangs over his head-and it's the one that will determine not only whether he could win elected office, but also what kind of company Facebook becomes-is whether he can solve them. And if Zuckerberg's actions say anything, that is exactly what he's thinking about right now."

<http://bit.ly/2vEdWrv>

DEEP DIVE -- "How Peter Thiel's Secretive Data Company Pushed Into Policing," by Steven Levy in Backchannel on Wired.com:

<http://bit.ly/2uFrHl5>

MEDIAWATCH -- "Sinclair Deal Draws Unlikely Opponent: Conservative News Media," by NYT's Sydney Ember: "The Sinclair Broadcast Group's proposed acquisition of Tribune Media has ignited expected opposition from left-leaning advocacy groups that deplore news

media consolidation and the right-leaning commentary the company pushes out to its local television stations. But a more unlikely group has recently joined the chorus of critics: conservative media outlets that say that the merger will limit competition and wipe out independent voices.

This week, Newsmax, whose founder, Christopher Ruddy, is a close associate of President Trump, filed a petition urging the Federal Communications Commission to deny the Sinclair-Tribune combination. One America News Network, a cable network that has championed the Trump administration's agenda, and The Blaze, a news and entertainment network started by Glenn Beck, have also pressed for a careful assessment of the merger." <http://nyti.ms/2vkU3CZ>

HOLLYWOODLAND -- L.A. TIMES: "Disney to offer two streaming services and end its movie distribution agreement with Netflix," by Daniel Miller and Meg James: "Walt Disney Co. will launch two Netflix-like streaming services -- one for sports and another for films and television shows - in one of the boldest moves by an entertainment company to address the changing media landscape. The stand-alone subscription services would appeal to younger audiences who are turning away from traditional media and flocking to Netflix and other digital platforms. The ESPN service, which would be available next year, is expected to feature 10,000 sporting events annually, among them Major League Baseball games. The Disney-branded film and TV offering, set to debut in 2019, would include original content developed by Walt Disney Studios." <http://lat.ms/2frWgIV>

POLITICO AGENDA 2020 - "America's Mind-Body Disconnect: The mind and the body are connected, but the U.S. health care system has long treated them as separate-with separate doctors, separate hospitals, separate payment systems. The segregation of mental health care from the rest of medical care is arguably the most costly, both financially and in terms of patient health. With new pressure to find ways to bend the curve of health care costs, and the growing burden of chronic disease and worker disability, solving these problems will take more than money; it will require changing the culture of medicine." <http://politi.co/2kGHr3L>

--"**The doctor will analyze you now:** A health center for native Alaskans brought mental and physical care under one roof, with impressive results. Why isn't it more popular?" by Joanne Silberberner
<http://politi.co/2vMQFTN>

PLAYBOOK ERS

SPOTTED: Ernest Moniz entering the Bombay Club restaurant on Tuesday afternoon ... IMF Director Christine Lagarde carrying flowers yesterday in D.C.'s West End

SPOTTED at a party last night for Advoc8 -- a marketing firm -- celebrating their new headquarters: Erica Orden, Jill Barclay, Abe Adams, Scott and Tory Sendak, Zeke Miller, Phil Elliott, Cassie Spodak, Jon Adams, Josh and Melissa Sharp, Sam Osbourne, John Legittino, Derek Flowers and Alex Moe, Lauren Pratapas, Ryan Williams, Brooke Brogan, Annie Starke, Laura and Remington Howard, Allie Brandenburger, Anna Sugg, Matt Gorman, Alyssa Moyer, Liam O'Rourke and Ashley Burns.

WELCOME BACK! Carl Leubsdorf, Dallas Morning News columnist and one of the original "Boys on the Bus," is back at work after having a new heart valve installed last week. (h/t Susan Page)

HAPPY 50th ANNIVERSARY to Attorney General Jeff Sessions and Mary Sessions. He's celebrating with dinner with his wife. His daughter is also coming in from Seattle today. (h/t son-in-law John Walk, who works in the White House counsel's office)

TRANSITIONS - OBAMA ALUMNI -- Ashley Lewis joined the Senate Committee on Banking, Housing and Urban Affairs as the Democratic press secretary. She most recently was the director of media relations for Export-Import Bank. ... **Wendy R. Anderson** has been hired as general manager for defense and national security at SparkCognition, which is

an AI company. She was chief of staff to former Commerce Secretary Penny Pritzker and also has held senior positions at DoD.

WELCOME TO THE WORLD -- @AJDelgado13: "Dear friends: Beyond thrilled to share with you that I'm now the proud mother of a beautiful son (!), William!!! Born 7/10".

-- **Christine Schaffer**, director of scheduling for Sen. Ted Cruz, and **Bobby Babcock**, manager of government relations at Van Scoyoc Associates, welcomed Lucy Elizabeth Babcock, 7.5 lbs 20 inches. **Pics** <http://politi.co/2vieBh3> ... <http://politi.co/2vDDqoE>

-- **BUSH ALUMNI** -- Bush 43 Labor Department alumnus **Kevin Doyle**, now a strategic partner at HBW Resources with Wexford Strategies and also Florida executive director for Consumer Energy Alliance, and **Gwen Carmichael**, a former legislative aide to the Florida House of Representatives, recently welcomed Hayesley Marie Carmichael-Doyle.

Pics <http://politi.co/2ulndVu> ... <http://politi.co/2hG3fyO> ... <http://politi.co/2hGmTe8> ... <http://politi.co/2vg8zOg>

BIRTHWEEK (was yesterday): Politico Europe's Charles Cooper

BIRTHDAY OF THE DAY: Bill Burton, California managing director at SKDKnickerbocker and the pride of Buffalo, is 4-0. **How he got his start in politics:** "My first moments in politics were going to school board meetings with my Dad. At those meetings, when I was 11, he taught me that every single person has the power to make a difference. And on those nights -- late after his shift at Pohlman Foundry in Buffalo -- he often did." Read his Playbook Plus Q&A: <http://politi.co/2uo6BIE>

BIRTHDAYS: Ken Vogel is 42 ... Kathleen Matthews ... WSJ's Julian Barnes, now based in Brussels, is 46 ... Michael Fletcher, senior writer for ESPN's The Undeclared ... Hoda Kotb is 53 ... Chris Cuomo is 47 ... Brian F. Keane, president of SmartPower ... Tim Tagaris, partner at Revolution Messaging ... Isaac Lederman, SKDK alum, now at LSE ... Robert Traynham, VP of comms at the Bipartisan Policy Center (h/t Blain Rethmeier) ... Amanda Isaacson ... The Fritz twins - Skylar and

Whitney ... Jarrett Morrell ... T. J. Clark is 22 ... Leila Sepehri Getto, deputy director of scheduling and advance at Interior ... Lauren Maddox, principal at the Podesta Group ... Sharon Wagener, LD for Rep. Brownley (h/t Samantha Greene) ... Christine Trippi ... Brian Hart, founder and CEO of LightHouse DC (h/ts Jon Haber) ... Reese Dickens ... Kerry Troup ... Politico's Jordan Hosko ... Rebecca Kirszner Katz, partner at Hilltop Public Solutions ... Suzanne Elio ... Mike Mears, RNC's director of strategic partnerships ...

... **Fred Brown**, a senior counselor at Dezenhall Resources and an RJC and RNC alum (h/t Rebecca Schieber) ... Ryan Hampton -- his latest piece in HuffPost: <http://bit.ly/2hIUOTh> ... Karin Tanabe ... Scott Tiel ... Elise Aronson ... Jamie Reno ... Andrew Light ... Deion Sanders ... Isaac Levido ... Mike Whatley ... Catherine Tran ... Iowa GOP operative Eric Woolson ... Rhonda Bentz ... David Sours ... NYT alum Carla Baranauckas ... former Rep. John Sweeney (R-N.Y.) is 62 ... former Rep. Charles Djou (R-Hawaii) is 47 ... Richard Weiblinger ... Marianna Boyd ... Brendan McDermott ... William Smith ... Ike Crews ... Kate Leone ... Ann E.W. Stone ... Chris Sautter ... Alen Salerian ... Virginia Pancoe ... Marcel Lettre ... Connie Doebele ... Ryan Hampton is 37 ... Jeff Berman is 46 ... Paul Bradley ... Mark Craft ... Tiffany Newton-Kenslow ... Robin Pressman ... Paul Vornholt ... Ann Selzer (h/ts Teresa Vilmain)

******* 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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