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From: Anna Palmer Jake Sherman Daniel Lippman
Sent: Fri 12/1/2017 6:03:28 PM
Subject: Playbook Power Briefing, presented by PhRMA: MICHAEL FLYNN PLEADS GUILTY to lying to FBI -- The latest thinking on GOVERNMENT FUNDING -- FARENTHOLD settled sexual harassment claim -- MCCONNELL says GOP has votes for TAX BILL

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Today's Playbook Power Briefing presented by PhRMA

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BULLETIN -- AP at 12:01 p.m.: "WASHINGTON (AP) - Senate Republican leader Mitch McConnell on tax overhaul: 'We have the votes.'"

FLAKE, JOHNSON, DAINES ALL AT YES -- READ SEUNG MIN KIM, BRIAN FALER and COLIN WILHELM on taxes -- Story will be updated throughout the day.
<http://politi.co/2AkigOo>

Good Friday afternoon. BOMBSHELL -- "Flynn has promised special counsel 'full cooperation' in Russia probe: Source," by ABC News' Brian Ross, Matthew Mosk, Josh Margolin, Adam Kelsey and Veronica Stracqualursi: "Retired Lt. Gen Michael Flynn has promised 'full cooperation' in the special counsel's Russia investigation and, according to a confidant, is prepared to testify that Donald Trump directed him to make contact with the Russians, initially as a way to work together to fight ISIS in Syria. ... A close confidant told ABC News that Flynn felt abandoned by Trump in recent weeks, and told friends about the decision to make the plea deal within the last 24 hours as he grew increasingly concerned about crippling legal costs he would face if he continued to contest the charges." <http://abcn.ws/2kgesb2> ... **The charge** <http://bit.ly/2j5VHDE>

-- NYT'S EILEEN SULLIVAN, ADAM GOLDMAN and MIKE SHEAR: "President Trump's former national security adviser, Michael T. Flynn, pleaded guilty on Friday to lying to the F.B.I. about conversations with the Russian ambassador last December during the presidential transition, bringing the special counsel's investigation into the president's inner circle. ...

"The investigation has dogged Mr. Trump's first year in office. While Mr. Trump can point to the court documents and say they show no evidence of collusion with Russia, the special counsel's filings so far paint a damning portrait of Mr. Trump's associates. His former campaign chairman, two other campaign aides, and his former national security advisers have now all been charged with felonies.

"In one of the conversations described in court documents, the men discussed an

upcoming United Nations Security Council vote on whether to condemn Israel's building of settlements. At the time, the Obama administration was preparing to allow a Security Council vote on the matter.

"Mr. Mueller's investigators have learned through witnesses and documents that Prime Minister Benjamin Netanyahu of Israel asked the Trump transition team to lobby other countries to help Israel, according to two people briefed on the inquiry. Investigators have learned that Mr. Flynn and Mr. Trump's son-in-law and senior adviser, Jared Kushner, took the lead in those efforts. Mr. Mueller's team has emails that show Mr. Flynn saying he would work to kill the vote, the people briefed on the matter said.

"In the other discussion, according to court documents, Mr. Flynn asked Mr. Kislyak that Moscow refrain from escalating the situation in response to sanctions announced by the Obama administration that day against Russia over its interference in the presidential election. And Mr. Kislyak told Mr. Flynn that Russia 'had chosen to moderate its response,' the documents said. The following day, President Vladimir S. Putin of Russia said Moscow would not retaliate against the United States in response to the sanctions. Mr. Trump praised the Russian leader in a Twitter post. 'Great move on delay (by V. Putin) - I always knew he was very smart!' Mr. Trump wrote."
<http://nyti.ms/2ANYnjW>

FLYNN'S STATEMENT: "After over 33 years of military service to our country, including nearly five years in combat away from my family, and then my decision to continue to serve the United States, it has been extraordinarily painful to endure these many months of false accusations of 'treason' and other outrageous acts.

"Such false accusations are contrary to everything I have ever done and stood for. But I recognize that the actions I acknowledged in court today were wrong, and, through my faith in God, I am working to set things right. My guilty plea and agreement to cooperate with the Special Counsel's Office reflect a decision I made in the best interests of my family and of our country. I accept full responsibility for my actions."

TY COBB'S STATEMENT: "Today, Michael Flynn, a former National Security Advisor at the White House for 25 days during the Trump Administration, and a former Obama administration official, entered a guilty plea to a single count of making a false statement to the FBI.

"The false statements involved mirror the false statements to White House officials which resulted in his resignation in February of this year. Nothing about the guilty plea or the charge implicates anyone other than Mr. Flynn. The conclusion of this phase of the Special Counsel's work demonstrates again that the Special Counsel is moving with all deliberate speed and clears the way for a prompt and reasonable conclusion."

-- Flynn was dismissed from the Obama administration. He was director of the Defense Intelligence Agency.

GET SMART FAST -- "The definitive Trump-Russia timeline of events," by Matt Nussbaum <http://politi.co/2zINcEI>

BY THE WAY... -- "Special counsel Robert Mueller's investigation tops \$5 million," by ABC News' Pierre Thomas: "Those expenses include money for a staff of more than 16 attorneys, dozens of FBI agents, support staff, travel and office supplies. A more detailed breakdown of those expenditures is expected to be released in the coming days. Investigations of this nature can take years to resolve and run into the tens of millions of dollars." <http://abcn.ws/2kcGunD>

ONE WEEK UNTIL THE GOVERNMENT RUNS OUT OF MONEY -- HOUSE REPUBLICAN LEADERS faced backlash this morning when they pitched their idea to keep government open past Dec. 8. Here's what they want to do: they want to pass a stopgap funding bill next week, which would last until Dec. 22. Then they'd work to pass a tax bill, and set up a major spending-cap deal. Then at the end of December, they'd look to pass another funding bill that could potentially be loaded up with lots of elements, including renewing a children's health-care program and boosting spending caps. That would be a really, really tough vote.

-- **CONSERVATIVES DON'T LIKE THIS.** Rep. Jim Jordan (R-Ohio), a top conservative, told us that he wants a one-month government funding bill, with some additional money for the military.

WE SPOKE TO HOUSE MAJORITY LEADER KEVIN MCCARTHY (R-CALIF.) after the meeting. He laughed and said it went "wonderful."

-- **MCCARTHY** said, "Someone brought up a very good idea." He said someone floated the idea of setting the expiration of government funding to after Christmas. That would screw up everyone's last week of December. "I wouldn't be opposed to it."

-- **NO DACA THIS YEAR, MCCARTHY SAID:** "I don't think the solution for DACA -- I don't see it out there right now. So I don't see how you would get it done this month ... DACA's timeline is further out in March, you still have time to solve that problem."

-- **THIS IS A MAJOR BLOW** to operatives and moderate Republicans pushing a DACA fix before the end of the year. They were hoping that McCarthy would be the key advocate they needed in House Republican leadership to make their case.

TRUE FACT -- This is going to be a really, really long month.

***** **A message from PhRMA: How much are hospitals marking up medicine prices?** According to new Moran Company analysis, hospitals mark up medicine prices nearly 500 percent. The analysis of 20 medicines also found a hospital is paid 2.5 times what the biopharmaceutical company, who brought the medicine to market, receives. Read more: <http://onphr.ma/2hSaqox> *****

FARENTHOLD SETTLED SEXUAL HARASSMENT CLAIM -- RACHAEL BADE

SCOOP: "Rep. Blake Farenthold used taxpayer money to settle a sexual harassment claim brought by his former spokesman -- the only known sitting member of Congress to have used a little-known congressional account to pay an accuser, sources told POLITICO. Lauren Greene, the Texas Republican's former communications director, sued her boss in December 2014 over allegations of gender discrimination, sexual harassment and creating a hostile work environment.

"Greene claimed in the lawsuit that another Farenthold aide told her the lawmaker had 'sexual fantasies' and 'wet dreams' about Greene. She also claimed that Farenthold 'regularly drank to excess' and told her in February 2014 that he was 'estranged from his wife and had not had sex with her in years.' When she complained about comments Farenthold and a male staffer made to her, Greene said the congressman improperly fired her. She filed a lawsuit in U.S. District Court in the District of Columbia, but the case was later dropped after both parties reached a private settlement."

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

THE EMBASSY WILL REMAIN IN TEL AVIV -- "Trump to declare Jerusalem the capital of Israel on Wednesday," by Axios' Jonathan Swan: "President Trump is giving a speech Wednesday declaring Jerusalem the capital of Israel, according to two sources with direct knowledge. A White House spokesman refused to confirm the report: 'The President has always said it is a matter of when, not if. The President is still considering options and we have nothing to announce.'" <http://bit.ly/2kePI8C>

SPOTTED -- Former Pennsylvania Republican Rep. Tim Murphy wearing a members pin and digging into breakfast at the Longworth cafeteria this morning. Murphy resigned effective Oct. 21 after the anti-abortion lawmaker allegedly encouraged his lover to terminate a pregnancy. **Pic** <http://bit.ly/2A1GBUL>

REX TILLERSON on reports of his impending ouster: "It's laughable." **Video from the State Department** <http://bit.ly/2zEJOuG>

FALLOUT FROM THE PRESIDENT'S TWEETS -- "Donald Trump's 'working visit' to UK dropped as tensions with Theresa May grow over president's far-Right retweets," by The Telegraph's Ben Riley-Smith and Kate McCann: "U.S. diplomats have dropped plans for Donald Trump to conduct a visit to Britain in January amid a war of words between the two countries' leaders. Mr Trump, the US president, had been pencilled in for a 'working visit' in the first month of 2018 to formally open America's new London embassy.

"The trip, a scaled down version of a state visit with no meeting with the Queen, was intended to allow Mr Trump to come to the UK while avoiding the mass protests a full state visit would likely trigger. However, The Telegraph can reveal that the trip has been pushed into the long grass, with no new date in the diary picked." <http://bit.ly/2zF0ja0>

REMEMBER THE CFPB FIGHT? -- "U.S. consumer financial watchdog official defies Trump from within agency," by Reuters' Patrick Rucker and Pete Schroeder: "In an email to CFPB managers Thursday evening, [Leandra] English reminded them of the pending enforcement actions and said other routine reports on consumer protections are due in December. English wrote colleagues that she wants 'to be sure that these are still on track,' according to the email seen by Reuters. She signed the email, 'Leandra English, Acting Director.'" <http://reut.rs/2kdbKmG>

SUBTWEET -- "Former President Barack Obama: 'Think before you tweet'," by the AP's Nick Perry in New Delhi: "When former President Barack Obama spoke to a leadership forum in India's capital on Friday, he never once used the words 'Donald Trump' and was careful to avoid any direct reference to his successor in the White House. Yet Obama made plenty of veiled references, from climate change to the perils of using Twitter. The responses often drew laughter from the audience at the Hindustan Times Leadership Summit, which was part of a three-country tour Obama is undertaking in one of his first global outings as a private citizen after leaving office." <http://bit.ly/2nITKYk>

ON THE WORLD'S STAGE -- NHK: "Japan to set April 30, 2019 for abdication": "Japan's Prime Minister says the Imperial House Council reached a consensus on the date for the upcoming abdication of Emperor Akihito. Shinzo Abe says council members prefer April 30, 2019 for the historic occasion... the first abdication in 2 centuries. The following day will be Crown Prince Naruhito's accession." <http://bit.ly/2kflXtZ>

WATCH THIS CASE -- "Gold dealer implicates Turkey's president in corruption scheme," by WaPo's Devlin Barrett and Erin Cunningham: "A Turkish gold trader testified Thursday that he was told his scheme to move billions of dollars in Iranian oil profits in violation of U.S. sanctions was approved by Turkish president Recep Tayyip Erdogan. The testimony by Reza Zarrab in federal court in New York marks the first time the U.S. case has implicated Turkey's president, who had railed against the prosecution and lobbied senior U.S. officials to release Zarrab." <http://wapo.st/2zEI98q>

TOP-ED -- MARK WALLACE and FRAN TOWNSEND in the NYT, **"The Case for Removing Extremist Videos From the Internet":** "A major victory in the fight against extremism was secured last month when YouTube announced that it had taken down the lectures and sermons of Anwar al-Awlaki, an American who had turned into a firebrand preacher and notoriously effective recruiter for Al Qaeda in the Arabian Peninsula. ... [The Islamic State's] sophisticated exploitation of the internet to spread its message must be matched by a systematic and resource-intensive effort that includes website hosting companies such as WordPress, encrypted communications platforms such as Telegram and file-sharing platforms such as JustPaste.it, apart from video platforms such as YouTube." <http://nyti.ms/2AvYMaf>

TODAY'S BEYOND THE BELTWAY -- Cuomo and de Blasio ramp up feud -- Phil Murphy vows to fight GOP tax bill <http://politi.co/2kfkqsA>

TV TONIGHT -- Shawna Thomas of VICE News, **Erica Werner** of the Washington Post and **Jonathan Swan** of Axios join Bob Costa on PBS' "Washington Week" to talk about taxes, the budget and sexual misconduct on Capitol Hill.

AFTERNOON READ -- "The Unlikely Strategy Behind Buffett's Investments in Encyclopedias," by Bloomberg Businessweek's Noah Buhayar: "[H]ere we are more than three decades later, as World Book celebrates its 100th anniversary, underlining a quirk of the Berkshire method: One of the world's greatest investors has created a conglomerate that holds on to a bunch of companies that are well past their prime. ... Buffett contends that this loyalty helps him buy more companies. The conglomerate, he's said, has no 'exit strategy' for the businesses it buys -- it doesn't flip acquisitions for a quick profit. 'That's one reason why Berkshire is usually the first -- and sometimes the only -- choice for sellers and their managers,' he wrote to shareholders in 2003."
<https://bloom.bg/2zHhTuj>

PLAYBOOK METRO SECTION -- "High confidence that major dose of wintry weather is coming to D.C. late next week," by WaPo Capital Weather Gang's Wes Junker and Jason Samenow: "Over the next week, the weather pattern will rearrange itself from mild and fall-like to unambiguously winterlike. Colder-than-normal temperatures are on the way and, yes, above-normal chances for snow."
<http://wapo.st/2zGT55o>

COMING ATTRACTIONS -- The Saban Forum, hosted by Brookings, kicks off tonight. Sen. Tom Cotton (R-Ark.) and former Israeli Prime Minister Ehud Barak will participate in a conversation moderated by Jeffrey Goldberg tonight, and Jared Kushner and Haim Saban will have a conversation on Sunday. ***Livestream and full schedule***
<http://brook.gs/2BDQPxd>

SPOTTED: Fox News Chris Wallace on a Virgin America flight from Dulles to Los Angeles. Fox News Sunday broadcasts from the Reagan Library this weekend ... Phil Mudd, former deputy director of the CIA's Counterterrorism Center, exiting the Yellow line train at Pentagon City. "He's just like us: did the awkward left-right scan for the escalator," per our tipster.

***** **A message from PhRMA:** According to new analysis from the Moran Company, hospitals mark up medicine prices, on average, nearly 500 percent. The analysis of 20 medicines also found a hospital is paid 2.5 times what the biopharmaceutical company, who brought the medicine to market, receives. While hospital markups lead to higher costs for patients, employers and payers, these markups are often overlooked in conversations about medicine costs. As the provider market continues to become more concentrated and the number of medicines being administered in hospital-owned facilities is growing, the amount hospitals mark up medicine prices needs greater scrutiny. <http://onphr.ma/2Ba0TOa> *****

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