

# POLITICO

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## Trump's endorsement of earmarks intoxicates Congress

Many lawmakers in both parties would love to revive the practice, but the politics are treacherous.

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## Backlash over drilling plan

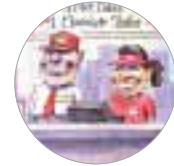
Trump energy team's exemption for Florida draws fire.

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## How the GOP's war on the IRS could backfire

Although conservatives have long wanted to deconstruct the tax collection bureaucracy, right now might be the worst possible time.

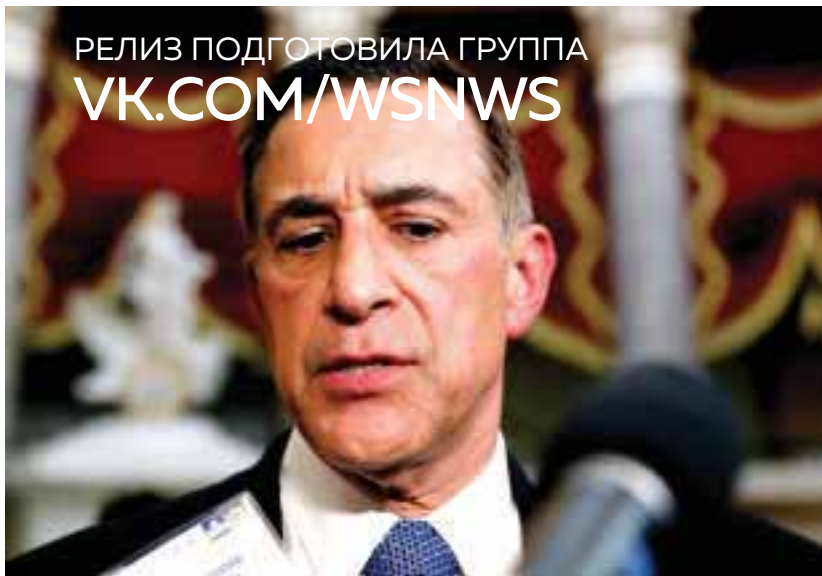
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## Matt Wuerker

The cartoonist's daily take on the world of politics.

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ALEX BRANDON/AP

Rep. Darrell Issa announced his retirement from the House on Wednesday. Issa represents a district Hillary Clinton won in 2016. There are now 29 open GOP-held House seats going into the 2018 midterms.

## Rash of retirements dims GOP hopes in midterms

Democratic momentum is building as Reps. Darrell Issa and Ed Royce become the latest Republicans to hang it up

BY ELENA SCHNEIDER AND JOHN BRESNAHAN

A flurry of Republican retirements in recent weeks has further weakened the party's hold on the House heading into the midterms — and the exodus probably isn't over.

California Reps. Darrell Issa and Ed Royce both bailed on their reelection campaigns in the past

48 hours, bringing the total of Republican-held open seats to a staggering 29 districts, a figure that includes lawmakers seeking higher offices. The Issa and Royce retirements open up seats that Hillary Clinton carried in the 2016 presidential race and will be more difficult — and expensive — for Republicans to defend, particularly if the party is swept

under a Democratic wave.

"There's no putting lipstick on that: They're both competitive districts," Ohio Rep. Steve Stivers, chairman of the National Republican Congressional Committee, said in an interview Wednesday.

Stivers, who said he believes the party will keep control of the

HOUSE on page 10

## Optimism grows on saving Iran deal

BY ELANA SCHOR

Bipartisan Senate negotiators are making headway on a plan that would stave off an implosion of the U.S.-Iran nuclear pact, even as President Donald Trump nears a pivotal Friday deadline to decide on the future of a deal he has long derided.

Senate Foreign Relations Committee Chairman Bob Corker (R-Tenn.) and the panel's top Democrat, Sen. Ben Cardin of Maryland, both said Wednesday that they had the broad parameters of a proposal to amend the 2015 legislation that required congressional review of former President Barack Obama's

nuclear agreement with Tehran.

But translating the outlines of a new Iran measure into legislation that can overcome conservative resistance and liberal skepticism will pose a significant challenge. Conservatives are likely to chafe at any legislative attempt to fix a

IRAN on page 11

## GOP may skip passing budget, hitting agenda

Lacking the votes and fearing blowback, Republicans are unlikely to deploy key tools

BY RACHAEL BADE AND SARAH FERRIS

Republican leaders are considering skipping passage of a GOP budget this year — a blow to the party's weakened fiscal hawks that would squash all 2018 efforts to revamp entitlements or repeal Obamacare.

White House and Hill GOP leaders discussed the possibility of forgoing the painful budget process during last weekend's Camp David legislative summit, according to four sources familiar with the talks. Senate Majority Leader Mitch McConnell has argued that he cannot pass controversial deficit-reduction legislation using powerful budget procedures with his new 51-vote majority — and wasn't even sure he could find the votes for a fiscal blueprint in the first place.

Abandoning the budget, however, would be an embarrassment for Republicans, who for years

railed against Democrats when they avoided one of the most basic responsibilities of Congress.

But more importantly, it would mean the GOP's 2018 agenda would be sharply limited: Only with passage of a joint House-Senate budget can Republicans deploy reconciliation tools, which allow them to circumvent the Senate filibuster and bypass Democrats, as they did on last year's successful tax bill and failed Obamacare repeal push.

That means no entitlement reform or welfare overhaul in 2018, a key priority for fiscal conservatives eager to shrink the now \$20 trillion federal debt. Instead, President Donald Trump wants to focus on enacting a massive infrastructure package with help from Democrats. And conservatives are not happy about it.

"It's legislative malpractice to throw reconciliation out the win-

BUDGET on page 11

## Democratic leaders face mutiny over DACA deal

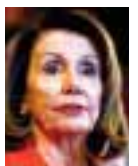
BY HEATHER CAYGLE AND SEUNG MIN KIM

Democratic leaders are facing a potential revolt within their ranks as they edge toward a deal with Republicans that would protect Dreamers from deportation but also include concessions to conservatives that many Democratic lawmakers say are unacceptable.

Senate negotiators say they're inching toward a bipartisan deal that broadly mirrors the parameters laid out during a meeting this week between lawmakers and President Donald Trump at the White House. They include ensuring legal status for Dreamers, strengthening border security and making changes to both



Schumer



Pelosi

family-based migration and the diversity lottery.

But many Democrats, particularly in the House, are horrified that their leaders would even agree to discuss issues beyond legal status for Dreamers and limited measures to curb illegal immigration. The concerns span multiple

DREAMERS on page 13

# These 34 Republicans say they stand with Dreamers. It's time for action!



These Republicans signed a letter telling Speaker of the House Paul Ryan that they support a permanent legislative solution for recipients of Deferred Action for Childhood Arrivals. Taking a stand is good, but more is needed. By Jan. 19, these 34 Republicans need to get Ryan and his leadership to hold a vote on a bill that provides permanent protection for Dreamers. It's Republicans who control Congress and the fate of 800,000 Dreamers. If they join Democrats, who support the Dreamers as well, Dreamers can be protected from deportation.

## These 34 Republicans + Democrats = A Majority in Congress to Protect Dreamers from Deportation

The time for action is now. More than 14,000 Dreamers have already lost protection from DACA and are vulnerable to deportation. These young people have been in the United States since childhood; many are still children themselves. They are college students, nurses, teachers and business owners. They have done everything we've asked, and it's time for Congress to pass a permanent solution so they can continue to live their lives and contribute to our nation.



## Mueller adds DOJ cybercrime prosecutor to his team

Special counsel Robert Mueller has added a prosecutor with significant cybercrime expertise to his team.

Ryan Dickey, a senior lawyer in the Justice Department's Computer Crime and Intellectual Property Section, has been detailed to Mueller's team since early November, a U.S. official told POLITICO.

The Washington Post first reported Dickey's move.

Mueller's addition of a veteran cyber expert to his team suggests that his investigation may be focusing on computer hacking, an element of Russia's alleged 2016 election meddling that has received less attention than issues like possible collusion between Moscow and President Donald Trump's team.

Dickey's highest-profile case involved Marcel Lazar, also known as "Guccifer," a Romanian man who hacked the personal email accounts of prominent Washington figures like Secretary of State Colin Powell and Hillary Clinton aide Sidney Blumenthal. A federal judge sentenced him to 52 months in prison in September 2016.

Dickey has also prosecuted cases involving credit card fraud and illegal file-sharing.

Some experts have suggested that the special counsel probe may result in charges under the Computer Fraud and Abuse Act, the landmark cybercrime law that makes it illegal to aid in a computer intrusion. If any of Trump's associates knew about and encouraged the hacking of Democrats' emails and computer servers, they could be charged under the statute.

In November, The Wall Street Journal reported that Mueller's team was letting the original DOJ prosecutors retain the investigation of the actual cyber intrusions into the Democratic National Committee and other targets.

— Eric Geller

## Trump calls current libel laws a 'sham'

President Donald Trump called current libel laws a "sham and a disgrace" on Wednesday ahead of a meeting with Cabinet members, adding that the laws fail to represent American values.

"We are going to take a strong look at our country's libel laws so that when somebody says something that is false and defamatory about someone, that person will have meaningful recourse in our courts," Trump said. "And if somebody says something that's totally false and knowingly false, that the person that has been abused, defamed, libeled, will have meaningful recourse."

"We want fairness," he said. "You can't say things that are false, knowingly false and be able to smile as money pours into your bank account."

His comments follow the release of Michael Wolff's book, "Fire and Fury," which questioned Trump's mental fitness to serve as president. The White House and president



MATT YORK/AP

## Senate race: No 'guts,' no glory?

Former Maricopa County Sheriff Joe Arpaio dismissed criticism from Arizona Sen. Jeff Flake on Wednesday, telling Fox News that "at least I got the guts to face" voters in this year's midterm elections. Arpaio, who was pardoned by President Donald Trump, announced Tuesday he will run for the Senate seat Flake is vacating.

pushed back hard against the book, claiming that it has serious factual errors.

This is not the first time Trump has come out against existing libel laws. On several occasions, Trump has accused major news outlets of fake news and said he wants to change the current laws.

At a 2016 campaign rally in Texas, Trump said that, as president, he would "open up our libel laws so when they write purposely negative and horrible and false articles, we can sue them and win lots of money."

— Aubree Eliza Weaver

## Poll: Bannon's GOP popularity tanks amid fallout with Trump

Steve Bannon's popularity among Republican voters plummeted in a Morning Consult/POLITICO poll conducted in the days after his blowup with President Donald Trump.

According to findings released Wednesday, only 19 percent of GOP voters said they had a favorable view of the former White House chief strategist, a 13 percent drop in favorability from a little less than a month prior, when 32 percent registered approval of him. The survey was conducted last Thursday and Friday, just after Bannon's public falling out with the White House on Wednesday.

Forty-six percent of Republicans who were surveyed registered an unfavorable view of Bannon, a 17 percent increase from the last poll, taken Dec. 14-18. Overall, 51 percent of voters registered an unfavorable view of Bannon, while 14 percent gave a favorable assessment. Thirty-five percent said they did not know or had no opinion.

The findings highlight a sharp erosion of support among the Republican electorate for Bannon, who was publicly

denounced by the president last week after he reportedly made critical comments about members of the Trump campaign, including the president's eldest son, Donald Jr., in Michael Wolff's new book, "Fire and Fury: Inside the Trump White House."

Bannon resigned from his post as executive chairman of Breitbart News on Tuesday, the culmination of a week in which he lost several of his most prominent political and financial supporters.

Bannon was quoted by Wolff as describing a meeting between Donald Jr. and other Trump campaign officials with a Kremlin-linked lawyer as "treasonous" and "unpatriotic."

Trump blasted the remarks last Wednesday, breaking with his former strategist in jarring public fashion.

"Steve Bannon has nothing to do with me or my presidency," Trump said in a statement.

"When he was fired, he not only lost his job, he lost his mind."

The Morning Consult/POLITICO poll surveyed 1,988 registered voters online from Jan. 4-5 and has a margin of sampling error of plus or minus 2 percentage points.

— Cristiano Lima

## White House cellphone ban set to take effect Jan. 16

White House chief of staff John Kelly sent a memo to staff on Wednesday detailing the upcoming ban on personal cellphones in the West Wing — and cautioning that violators could be subject to "disciplinary action."

The ban, according to a copy of the memo obtained by POLITICO and confirmed by two White House officials, goes into effect on Jan. 16. It bans "all portable electronic devices" not issued

or authorized by the White House from "being carried into or otherwise possessed" in the West Wing from 6 a.m. to 8 p.m. Monday through Friday, except federal holidays.

"Such portable electronic devices may be carried into or otherwise possessed in the West Wing at other times," the memo says.

Credentialed reporters can carry personal devices in areas of the White House where they have access, including the Lower Press Office and the Upper Press Office. But they can only carry their devices into the rest of the West Wing if they are entering the area in a "professional capacity and are escorted by a member of the White House staff."

Staff are encouraged to leave their personal devices in their cars, at home, in offices outside of the West Wing or in lockers that have been installed in White House lobby areas, according to the memo.

"Violations of this policy by [Executive Office of the President] staff are security incidents that may indicate knowing, willful, and negligent conduct in violation of security policy and may therefore result in disciplinary action and, for other Federal employees and visitors, may include being indefinitely prohibited from entering the White House complex," the memo says.

The White House announced the personal cellphone ban last week, amid the furor surrounding the publication of excerpts from Michael Wolff's White House tell-all, "Fire and Fury." Press secretary Sarah Huckabee Sanders said the new policy was being implemented for security reasons, not to prevent leaks.

The memo says the purpose of the policy is to "protect White

House information technology infrastructure from compromise and sensitive or classified information from unauthorized access or dissemination."

The ban comes after POLITICO reported in October that the White House believed Kelly's personal phone had been compromised, possibly at the headquarters of the presidential transition team in 2016.

— Andrew Restuccia and Emily Stephenson

## Trump says GOP should 'finally take control' of Russia investigation

President Donald Trump on Wednesday urged Republicans in Congress to "take control" of the investigations into Russian interference in the 2016 presidential election, prompting some head-scratching from a top GOP investigator on Capitol Hill.

"The single greatest Witch Hunt in American history continues," Trump tweeted Wednesday morning. "There was no collusion, everybody including the Dems knows there was no collusion, & yet on and on it goes. Russia & the world is laughing at the stupidity they are witnessing. Republicans should finally take control!"

Senate Judiciary Committee Chairman Chuck Grassley (R-Iowa) said he didn't know what the president meant.

"I don't know what the president has in mind, and I don't think I better comment until I have a discussion with the president on that," Grassley said, when asked by reporters.

Then, seemingly catching himself, Grassley added: "And I don't intend to have a discussion with the president on that point, and I hope he doesn't call me and tell me the same thing that you said he said."

Republican lawmakers have faced questions about whether Trump has pressured them to wind down their Russia investigations. Sen. Richard Burr (R-N.C.) confirmed recently that Trump called him and raised the subject last spring but hasn't contacted him about it since.

"It was not a recent thing," Burr told reporters last month.

Grassley also added that he hoped a decision by the top Democrat on his committee, Sen. Dianne Feinstein (D-Calif.) to unilaterally post the transcript of a closed-door interview with Fusion GPS co-founder Glenn Simpson didn't mark the beginning of a partisan breakdown. He said he'd recently shown his commitment to cooperation by agreeing to two interviews that Democrats had requested.

Feinstein, however, has said she wasn't consulted before Grassley and Sen. Lindsey Graham (R-S.C.) recommended that the FBI pursue a criminal investigation against former British intelligence agent Christopher Steele, the author of a disputed Trump-Russia dossier for what they described as evidence that he made false statements to federal investigators.

— Kyle Cheney

# WH plans to destroy election fraud panel's voter data

Information will not be transferred to DHS or National Archives, official says in court filing

BY JOSH GERSTEIN

The White House intends to destroy voter data collected by the election fraud commission recently shut down by President Donald Trump, the Justice Department said in a court filing Tuesday night.

White House Director of Information Technology Charles Hernon said in a declaration submitted to a federal court in Washington that officials plan to erase the information, rather than transfer it to the Department of Homeland Security or the National Archives and Records Administration.

Hernon also indicated that White House press secretary Sarah Huckabee Sanders' comment last week that the commission's "preliminary findings" were being sent to DHS was inaccurate.

"The Commission did not create any preliminary findings," Hernon wrote in the declaration, which was part of the Justice Department submission.

Earlier Tuesday, lawyers for one of the former commission's members, Maine Secretary of State Matthew Dunlap, asked U.S. District Court Judge Colleen Kollar-Kotelly to halt any effort to move or copy the voter data to another federal agency.

"The state voter data will not be transferred to, or accessed by, DHS or any other agency, except to the National Archives and Records Administration ('NARA'), pursuant to federal law, if the records are not otherwise destroyed," Hernon wrote. "Pending resolution of outstanding litigation involv-

ing the Commission, and pending consultation with NARA, the White House intends to destroy all state voter data."

As the Presidential Advisory Commission on Election Integrity was ramping up last June, the panel's vice chairman, Kansas Secretary of State Kris Kobach, asked all 50 states to submit their voter rolls. Kobach also asked for information such as partial Social Security numbers and criminal conviction data.

Kobach stressed that the commission was seeking only publicly available data. Still, dozens of states pushed back against the request, saying they planned to reject it in whole or in part.

The commission was also hit by eight lawsuits, some of which charged that the panel was violating the law in collecting or handling the data.

When Trump disbanded the commission last week, he cited the suits as well as the refusal of many states to cooperate with the group's work.

Kobach told POLITICO last week that he expected officials in or overseeing Homeland Security's Immigration and Customs Enforcement branch would take over the voter fraud probe, matching state voter rolls against federal databases of legal and illegal immigrants.

However, Hernon's statements suggest that if DHS or ICE wants to undertake an effort to examine illegal voting, they will have to start from scratch, at least when it comes to obtaining the voter data.



ANDREW HARNIK/AP

Election fraud panel vice chairman Kris Kobach (shown with Vice President Mike Pence) asked all 50 states to submit voter rolls. President Donald Trump disbanded the panel, citing lawsuits and states' refusal to cooperate.

# Poll: Nearly half of respondents say Trump exoneration is likely in 2018

BY STEVEN SHEPARD

Nearly half of voters think it's at least somewhat likely President Donald Trump will be exonerated of wrongdoing by the special counsel this year, according to a new POLITICO/Morning Consult poll.

Based on a poll of 1,988 registered voters, 48 percent said it's either very or somewhat likely that Trump will be cleared in 2018, compared with 37 percent who said it's not too likely or not at all likely that Trump will be cleared. In addition, less than one-third said they believe Trump is likely to leave office in the coming year, despite calls from some Democrats for his impeachment.

But the first survey of 2018 isn't all good news for the administration: Pluralities of voter respondents said they expect Democrats — who have a significant lead on the congressional generic ballot — to win control of the House and Senate in the midterm elections.

The poll also finds voters' predictions for Trump in 2018 divided sharply along partisan lines.

"Democrats and Republicans have drastically different views on whether Trump will be cleared of wrongdoing in the Russia probe led by special counsel Robert Mueller,"



EVAN VUCCI/AP

**In a recent poll, voters expect both the president to be cleared by special counsel in 2018 and Democrats to win control of Congress in the midterms.**

said Kyle Dropp, Morning Consult's co-founder and chief research officer. "Three in four Republicans, 74 percent, say it's likely Trump will be cleared of wrongdoing in the Russia probe this year. But only 32 percent of Democrats say the same."

Poll respondents were more evenly split on whether Mueller's investigation will ensnare a member of Trump's family. Just more than 4 in 10, or 41 percent, said it's at least somewhat likely a member of Trump's family will be indicted on criminal charges in the next year, compared with 46 percent who said they think that is unlikely.

Only 32 percent said Trump is very or somewhat likely to leave office in 2018 — including, in perhaps some wishful thinking, 51 percent of Democrats. But a 56 percent majority indicated they think it is not too likely or not at all likely.

While most participants were fairly confident Trump's presidency will survive 2018, they still saw possible Democratic gains in this year's midterms. Fully 45 percent said it's at least somewhat possible Democrats will win back the House, while only 38 percent said it's not too likely or not at all likely. (The percentages are virtually identical for whether Democrats will win back the Senate, despite the very different political map.)

Democrats have an 8-point lead on the generic congressional ballot, the poll shows, 44 percent to 36 percent. Twenty percent of voter respondents were undecided.

The poll, which was conducted Jan. 4 to Jan. 5, has a margin of error of plus or minus 2 percentage points.

*Morning Consult is a nonpartisan media and technology company that provides data-driven research and insights on politics, policy and business strategy.*

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### JANUARY'S PUBLISHING SCHEDULE

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**Thank you  
Congress,  
for protecting  
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care the most.**

Recently, Americans who had high health care costs faced a big tax increase just because of their medical expenses.

But leaders in Congress fought back. They helped to ensure the medical expense deduction was maintained, including restoring a 7.5% income threshold for two years, allowing families to deduct large expenses like wheelchairs, prescription drugs and home care costs. Thanks to the following members of Congress for making a huge difference in the lives of middle class families who won't be penalized simply because they have high medical costs.

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Senator Sherrod Brown

Senator Susan Collins

Senator Shelley Moore Capito

Senator Johnny Isakson

Senator Claire McCaskill

Senator Bill Nelson

Representative Martha McSally

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AFP/GETTY IMAGES FILE PHOTO 2016

IRS veterans and others say Republican lawmakers who control Congress should grant the IRS additional funding to ensure that the tax agency has adequate resources to implement the new tax law. The agency's in-house watchdog said Wednesday the IRS has estimated it needs an additional \$495 million in funding for 2018 and 2019 to carry out the law.

## How the Republicans' war on the IRS could backfire

They have long sought to deconstruct the tax agency, but the new tax law poses big hurdles

BY AARON LORENZO

Republicans buoyed by their victory on a historic tax bill are turning their focus on the agency they might hate more than any other: the IRS.

But while conservatives have long wanted to deconstruct the tax-collection bureaucracy, right now might be the worst time to continue to slash funding and roll back IRS powers. Given the biggest rewrite of the tax code in three decades, there will be a huge need to implement, explain and enforce hundreds of pages of new tax provisions in the coming years.

"Restructuring the IRS right now would be the worst thing for our country," said Steve Mankowski, president of the National Conference of CPA Practitioners. "It's just a recipe for disaster."

National Taxpayer Advocate Nina Olson, the agency's in-house watchdog, said Wednesday the IRS has tentatively estimated it needs an additional \$495 million in funding for 2018 and 2019 to implement the tax law.

That's not stopping House Ways and Means Chairman Kevin Brady (R-Texas). Since 2016, he's threatened to "bust up" the IRS, a vague plan he later refined to a bid to turn the IRS into a service-oriented agency for individual and business taxpayer needs, with dispute resolution handled through a small claims court-type of process.

"You're going to see action this year on this issue," Brady said Monday, adding that the Ways and Means Oversight Subcommittee that has already mined the issue

would continue its work. "We'll have some announcements shortly on some of the new process that they'll be taking going forward, soliciting ideas from lawmakers and organizations as well."

The oversight subpanel, which Rep. Vern Buchanan (R-Fla.) chairs, last year held five hearings on IRS customer service, improving taxpayer experiences, tax fraud, appeals and the agency's antiquated computer systems.

Buchanan has said repeatedly that he wants to release an IRS restructuring bill early this year. But Brady said no timetable has been set on introducing legislation.

"I want to visit with the chairman about when the bill will be drafted and completed and ready for movement," Brady said.

On Wednesday, Olson offered lawmakers 50 new recommendations as they consider a possible reorganization. The proposals are more administrative than structural, such as giving taxpayers more time to sue for damages if they're unfairly targeted for collection and requiring that each state has a permanent IRS appeals officer.

Republicans seem in no hurry to give the agency more money, though Buchanan has said it's being discussed. Both the House and Senate bills that fund the IRS include more cuts.

If Brady, Buchanan and other Republicans get their way in changing IRS powers while also cutting agency funding, as they've done every year since 2010, it could undermine the new tax law President Donald Trump and Republicans on Capitol

Hill boast.

First, it would further limit IRS call centers and other contact points for taxpayer inquiries, which have struggled to maintain service amid the budget cutbacks. Personnel numbers have declined, fewer questions are fielded year over year and only basic tax law answers have been given since the 2014 filing season, Olson has testified before Congress.

Shifting the IRS focus from implementation would also distract from developing new forms and tables that are needed to determine how much taxpayers owe. It also would hinder examinations and enforcement, which have suffered as appropriations have dwindled, as shown by reduced audit rates.

On top of that, it would make it harder to understand new international tax laws for U.S. companies that make money abroad or foreign firms that operate here; noncorporate businesses like partnerships and others known as pass-throughs also need clarity on new boundaries governing how their income will be taxed.

Even worse, some critics say, it would hamstring the federal government's collection capability. Simultaneously withholding money from the IRS and restructuring its organization would surely distract from the agency's revenue operations and leave money on the table that should be collected, Mankowski said.

Instead, agency veterans and others say Republicans who control Congress should sufficiently fund the IRS to ensure it has adequate resources to implement the new law and brace for taxpayer uncertainty.

"I do think that the service needs some additional funds, in this instance," said former IRS Commis-

sioner Mark W. Everson.

It's in Republicans' interest to work with the IRS during the implementation phase while continuing to hold the agency accountable, he added.

Additional funding could be earmarked for specific purposes, similar to the nearly \$300 million boost Congress provided the IRS in 2016, specifically for taxpayer services and combating identity theft, Mankowski said.

Ample appropriations would go a long way toward increasing the number of IRS employees who interact with taxpayers and professionals and ensuring training on the new law. Better funding would also help address challenges on the enforcement side of the agency, its outdated computer systems and its regulatory functions.

Those issues are more paramount than beginning what are certain to be slow changes for a major bureaucracy, said Everson, who headed the IRS from 2003 until 2007 and is now vice chairman at alliantgroup LP.

"I would operate carefully," he said.

Others agreed.

"That could be a problem to institute massive reforms right now," said former Rep. Charles Boustany (R-La.), now a lobbyist at Capitol Counsel LLC and previously in the oversight role now held by Buchanan.

For his part, Buchanan has said talks are underway to raise the IRS funding level, possibly by as much as \$500 million. As it stands now, the agency's budget is on track to decline to about \$11.1 billion without anything extra, down from about \$12.5 billion in 2010 when not adjusted for inflation.

"This is to help the transition," Buchanan said last month, just after a ceremony marking the bill's passage. "For payroll companies and everybody else, a lot of this has to get in place quickly, and the IRS is going to need additional funds to do that."

Brady was less certain than Buchanan about increasing IRS funding for implementation.

"I don't know that," Brady said. "The first question is, what do they need to implement this? And what of their current resources should be prioritized to that end?"

Other agency critics in Congress are even more outspoken. Sen. Chuck Grassley (R-Iowa), a member of the tax-writing Finance Committee, isn't keen to supplement IRS funding because his anger hasn't subsided over the agency's political targeting scandal, which came to light in 2013.

"Only if they show us that they're going to impartially enforce the IRS code, and they proved that they couldn't enforce it, the way that they treated nonprofit organizations back in '11 and '12," Grassley said, adding that he's content to continue holding the agency's feet to the fire over the issue.

Congressional Republicans have for a while been trying to direct funding to specific IRS services and functions, Boustany said. But they ought to dial down their combative rhetoric in the meantime, he added.

"I hope that they do conduct a number of hearings that aren't overtly political to really get down to what the needs are because I think this could be pretty disruptive going forward for a lot of American families, small businesses and of course on the corporate international side as well," Boustany said.



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# Trump team draws fury with shift on Florida drilling

State's coastal waters are now 'off the table'

BY BEN LEFEBVRE  
AND ANTHONY ADRAGNA

Interior Secretary Ryan Zinke's abrupt decision to remove Florida's coastal waters from the offshore drilling plan he issued a week ago sparked a backlash Wednesday, failing to mollify Florida's congressional delegation, galvanizing opposition in other states and even angering Trump administration allies in the energy industry.

Zinke's announcement that he would take offshore drilling "off the table" to protect Florida's tourism industry was dismissed by critics as political theater designed to benefit Florida's Republican Gov. Rick Scott, who is likely to challenge Democratic Sen. Bill Nelson for his seat this year.

And it set off an outcry in other coastal states whose waters Zinke is seeking to open up for oil and gas exploration, with elected officials calling for the same treatment that Florida received — even as the oil industry criticized Zinke for renegeing on the plan to give companies access to lucrative fields off the state's Gulf Coast.

Interior Department spokeswoman Heather Swift said in an email that Zinke "intends to meet with or phone every governor who submits a meeting request. Governor Scott was the first to do so."

California state officials plan to make their state's case to the Interior Department, using the same arguments used for Florida, California Attorney General Xavier Becerra told POLITICO. The state also boasts a huge coastal tourism economy and, like Florida, hosts military bases whose operations could be disrupted by oil spills or offshore drilling operations.

"That standard they applied to Florida is the one we intend to use," Becerra said in a telephone interview. "We will be reaching out with the administration and others concerning our position."

The waters off California still host oil platforms placed there decades ago, a testament to the state's history as a major offshore oil source. But it changed course after a 1969 oil spill in Santa Barbara,



Florida Gov. Rick Scott (left) and Interior Secretary Ryan Zinke announced there will be no new offshore drilling in Florida's coastal waters. The shift sparked a broad backlash and angered Trump administration allies.

SCOTT KEELER/TAMPA BAY TIMES VIA AP

and Becerra said any push to use the state's existing offshore operations as a reason to open its doors to the industry again is "not a winning argument."

"Our people, locally and statewide, have spoken on this," he said.

Florida Republicans, far from accepting Zinke's offer as a done deal, said they will still pursue legislation to extend a moratorium on drilling in the eastern Gulf of Mexico that is set to expire in late 2022. Florida lawmakers said earlier in the week they had gotten word that House Speaker Paul Ryan is open to such a legislative measure, a pathway Florida's Republican Sen. Marco Rubio also backed.

"My goal is still a permanent ban on offshore drilling in the eastern Gulf," Rep. Francis Rooney (R-Fla.)

said. "I firmly believe that Speaker Ryan will continue to support Florida, and I believe that we will be successful in achieving this goal."

Ryan's office did not reply to questions.

Rep. Rob Bishop (R-Utah), chairman of the House Natural Resources Committee, said Zinke's change to a drilling program that expires in 2024 didn't offer Florida Republicans long-term assurances that plans to drill off the coast would not return, and his statement that Florida needed to protect its tourism industry was too broad a criterion to rely on.

"That applies to every state — Utah as well," Bishop told reporters. "I assume that before anything is actually done or finalized, we'll be sitting down with him and we'll

be working together and coming up with some legislative assessment to the entire situation."

Rep. Ted Lieu, a California Democrat opposed to new offshore drilling in his state, agreed that citing the threat to tourism from oil and gas activity opened the door for other states to argue the same.

"Secretary Zinke, by putting his rationale in writing, is now stuck with it," Lieu told POLITICO. "There's no standard he can legally meet to justify attempting [to limit it to] just Florida. He has to either exempt every state that meets his standard or exempt no states. It will backfire."

Mere hours after Zinke made his announcement, lawmakers from both parties in states on the

Atlantic and Pacific coasts were citing that same argument. Although the charge was led by Sen. Tim Kaine (D-Va.) and Oregon Gov. Kate Brown, New Jersey Gov. Chris Christie and South Carolina's Republican governor and Trump supporter, Henry McMaster, joined the chorus.

"I am opposed to offshore drilling off the South Carolina shore," McMaster said at a Wednesday news conference. "Our tourist industry, our glorious natural resources ... are beyond compare in the United States. We cannot take a chance with those resources, those industries and that economy. I will be taking appropriate steps, and there will be more news later."

Zinke's announcement also disappointed the energy industry, which had considered him an essential ally. A source at one oil and gas producer operating in the Gulf of Mexico said the secretary's Tallahassee announcement came as "a surprise."

"A lot of people in industry, especially those already in the Gulf of Mexico, were keeping their eye on that part of the country for a long time. Everyone was thrilled by this opportunity," said Tyler Nelson, a lobbyist at Cornerstone Government Affairs who represents energy companies. "To have this here and then pull the rug out from underneath them is frustrating."

In a statement, the powerful American Petroleum Institute said Tuesday's reversal was "premature," and it said "the administration and policymakers should follow the established process before making any decisions or conclusions that would undermine national energy security."

The National Ocean Industries Association, a lobby group representing offshore oil and gas producers, had called Zinke's original offshore drilling plan proposal "bold" just six days ago, but now described the about-face as "disappointing and premature."

"Having heard from the Governor of Florida, we look forward to commenting and sharing our views on what resources, owned by the American people, should be open and considered for exploration and production," NOIA said in a news release.



President Donald Trump said he doesn't think there is a need for him to testify in the Russia probe since "nobody's found any collusion at any level."

EVAN VUCCI/AP

## Trump on whether he will testify in the Russia probe: 'We'll see what happens'

BY CRISTIANO LIMA

President Donald Trump on Wednesday declined to commit to an interview with special counsel Robert Mueller's team in the investigation into Russian interference in the 2016 presidential election, saying it is "unlikely" he would even be called to testify.

"We'll see what happens. I mean, I'll see what happens," Trump said during a joint news conference with Prime Minister Erna Solberg of Norway at the White House.

The president insisted that no "collusion" between officials from his campaign and the Kremlin has been found in the Justice Depart-

ment investigation. As a result, he said, he doesn't think there would be a need for him to speak to the special counsel.

"When they have no collusion and nobody's found any collusion at any level, it seems unlikely that you'd even have an interview," Trump said.

Mueller and federal prosecutors have spoken to various members of the Trump campaign and the White House as they continue to examine communications between Trump's teams and Russian government operatives. In October, a White House official indicated that Trump's lawyers were open to having him testify

on the matter, even as the White House has continued to dismiss the Mueller investigation as a "hoax."

Earlier Wednesday, the president called the congressional and federal inquiries on Russia the "single greatest Witch Hunt in American history," urging Republican lawmakers to "take control" of the proceedings.

"There was no collusion, everybody including the Dems knows there was no collusion, & yet on and on it goes," Trump wrote on Twitter. "Russia & the world is laughing at the stupidity they are witnessing. Republicans should finally take control!"



# Team Trump escaping televised grillings on Russia

GOP stalls testimony from Trump Jr., et al.

BY JOSH MEYER

Among the most memorable quotes from a new tell-all book about the Trump White House is Steve Bannon's prediction that President Donald Trump's oldest son would be hauled before Congress and grilled on live television about his contacts with Russians.

"They're going to crack Don Junior like an egg on national TV," Trump's former political strategist told Michael Wolff in his explosive book, "Fire and Fury: Inside the Trump White House."

But frustrated Democrats now say they've all but given up on their vows to question the younger Trump before a national audience. The same goes for several other key Trump insiders whom, Democrats claim, Republicans have hidden from the klieg lights to protect the president.

Despite lawmakers' pledges last year that other top Trump associates would also be questioned in open hearings before the cameras, none have done so — and, given talk among congressional Republicans of wrapping up their investigations, it looks increasingly likely they will not.

Democrats say that deprives the public of a clearer understanding of the unfolding Russia saga. It also means Trump allies who have been allowed to speak privately behind closed doors — often with staffers instead of the lawmakers themselves — have avoided the sort of spectacle that can make political history. Some of the most indelible moments from past scandals, like Watergate and Iran-Contra, occurred during televised appearances from insiders, such as Reagan White House aide Oliver North and Nixon administration lawyer John Dean, who infamously warned of "a cancer growing on the presidency."

Last year's dramatic testimony from former FBI Director James Comey, former acting Attorney General Sally Yates and former national intelligence director James Clapper dominated television and the Internet for days. Comey's, in particular, infuriated Trump, whose advisers urged him not to tweet during the hearing. (He did not.)

Several congressional Democrats tell POLITICO they have fought unsuccessfully to compel similar public testimony from numerous Trump associates and other participants who they believe could shed light on possible nefarious collaborations between the Kremlin and the campaign and transition team. That list includes Trump Jr., Trump's son-in-law, Jared Kushner, and Trump's longtime personal lawyer Michael Cohen.

As recently as September, the Senate Judiciary Committee's top Democrat, Sen. Dianne Feinstein of California, told CNN she wanted Trump Jr. — who has met with both House and Senate committees behind closed doors — to testify in public "come hell or high water."

But Republicans never approved that request — or several others, Democrats say.

In a statement to POLITICO, Sen. Mark Warner of Virginia, the ranking Democrat on the Senate



Donald Trump Jr. arrives for a closed-door meeting with the Senate Intelligence Committee in December. Democrats say the GOP has stymied calls that dozens of witnesses testify publicly in the Russia probes.

Intelligence Committee, called for more open hearings with key Trump insiders, including Trump Jr., Kushner and Cohen.

"I believe that the American people would benefit from having those hearings in open session, so that they can make their own judgments about what happened in 2016," Warner said. He also said committee members themselves would benefit from "having an opportunity to question directly some of the principal witnesses ... as opposed to staff interviews."

In a mid-September show of bipartisanship, Warner and Sen. Richard Burr (R-N.C.), chairman of the Senate Intelligence Committee, vowed to call Cohen before their panel for public testimony. But when Cohen appeared before the panel and the House Intelligence Committee the following month, he did so behind closed doors.

Republicans would not address whether they still plan to hold open hearings with key Trump officials. Several said they are confident their investigations have been thorough and in the public interest, and that they are ongoing.

"The committee will continue to follow the facts where they lead," Burr told POLITICO in a statement. Burr added that he held 10 hearings last year on the subject of "Russian interference."

A spokesman for Rep. Mike Conaway (R-Texas), who has been leading the House Intelligence Committee's Russia investigation since panel Chairman Devin Nunes refused himself, said Conaway would not comment given the committee's ongoing probe.

While unmatched in drama,

televised hearings can encourage grandstanding among members of Congress. And in the case of the Russia investigation, they preclude the discussion of classified information. They also make it possible for witnesses to see each other's testimony, potentially allowing them to alter their own stories.

But along with declining to hold public hearings, GOP committee leaders also have rejected closed-door interview sessions with several dozen witnesses proposed by Democrats, according to three Democratic lawmakers.

Those Democrats, Sen. Ron Wyden of Oregon and Reps. Adam Schiff and Eric Swalwell of California, also said Republicans have blocked their requests for financial documents from key players like Trump Jr., Kushner, former national security adviser Michael Flynn, former Trump campaign chairman Paul Manafort and Trump himself.

The Democrats are also seeking documents from financial institutions connected to figures in the Russia saga, including Deutsche Bank, which has been implicated in Russian money laundering and has loaned nine-figure sums to Trump and to Kushner's family business.

Democrats call such records critical to filling gaps in their understanding of Moscow's 2016 election meddling and whether it might have involved some form of quid pro quo from the Trump campaign.

"At the end of the day, we will have done the country a disservice if we conclude the investigation without doing a thorough job, and if we are willing to make an incomplete report to the American people, or worse, one that's inaccurate, and

later have to explain when information comes to the surface why we didn't care enough to pursue it," said Schiff, the ranking Democrat on the House Intelligence Committee. "But that's where we are."

As three congressional committees continue to probe issues related to Russia and the 2016 election, the parade of witnesses to Capitol Hill is not over yet. And it is still possible that some Trump associates might testify before the television cameras, although Democrats call that doubtful.

House Democrats said the GOP has turned to calling witnesses who will undermine the credibility of special counsel Robert Mueller's investigation, the FBI and the Justice Department.

Taylor Foy, a spokesman for Sen. Chuck Grassley (R-Iowa), chairman of the Senate Judiciary Committee, said both sides have been inviting witnesses but that not all have been fully cooperative. The committee is still trying to interview Kushner, he said — the one remaining witness from the Trump Tower meeting in which Trump Jr., Kushner and Manafort met with a Russian lawyer who promised "dirt" on Democrat Hillary Clinton.

Democrats say their Republican counterparts are too reliant on requests for voluntary cooperation, which are easily ignored. Some witnesses, including Trump Jr. and Attorney General Jeff Sessions — a former Trump campaign official — have simply refused to answer key questions or even cut short interviews by saying they were done cooperating.

Others have refused to provide documents and other information,

or to respond to follow-up requests for information, Schiff, Wyden and other Democrats told POLITICO.

"We need the committee to use the compulsory process, but the majority thus far has been unwilling to do so in most cases," said Swalwell, who, like Schiff, is a former prosecutor. "And that leaves some very important questions unanswered."

Republicans in Congress have accused their Democratic colleagues of exploiting the Russia investigation for political gain and to inflict unfair damage on Trump and his associates.

Democrats can tick off numerous other examples of avenues of inquiry that they contend have been shut down, including many that lie outside the relatively narrow purview of Mueller, who has been tasked with identifying whether any laws were broken and whether the evidence merits criminal prosecution.

In contrast, the congressional committees — especially the intelligence panels — have the broader charge of providing a public accounting of what happened between Trump associates and Russian operatives during and after the election. They include interactions that fall short of collusion or illegal activity. As a result, their final public reports will be incomplete, Democrats say.

Wyden, who serves on two committees investigating Trump-Russia issues, said Senate Republicans initially were receptive to calling in Trump associates and obtaining documents from them. Beginning in June, though, he said he noticed a sharp pullback, at the same time that Trump himself began pressuring the GOP to protect him from investigations that were closing in on those around him.

In recent weeks, Wyden has become even more suspicious of Republican efforts to shut down the Senate investigation.

Wyden noted that Wolff's book quotes Bannon discussing the sort of financial ties between Trump and Russian nationals that Wyden has long sought to investigate in greater detail.

"You realize where this is going. This is all about money laundering," Bannon is quoted as saying. A statement of contrition Bannon issued earlier this week did not deny or retract that quote.

But Wyden said Republicans on both the Intelligence Committee and the Senate Finance Committee, where he is the ranking Democrat, have thwarted him.

"The fact that we have not had any kind of public visibility on 'follow-the-money issues' is a very significant deficiency of the inquiry," Wyden said. "I think Jared Kushner ought to be back answering questions in public. I think Donald Trump Jr. should be back answering questions in public, and we would obviously coordinate with Mueller on that."

"These issues are too important to just say this is all about letting a special counsel who has a charge with respect to criminal activity tell the entire story," Wyden said. "Because there is a much broader story that the American people are owed, and it is the committee's responsibility to tell that story."

# Swelling ranks of retiring House GOP-ers buoy Dems

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House, still cautioned that more retirements could be coming — a statement likely to rattle Republicans' nerves.

"We're talking to a handful [of members]," Stivers said. "There's not much hand-holding now because people have pretty much made their decision. Filing days are coming, so I think we're pretty much through it."

Those pending filing deadlines — California's is on March 9 — mean members who have been on the fence, or who are facing dauntingly poor poll numbers, could join Issa and Royce in heading for the exits in the coming weeks. The early indicators of a wave election are glaring: Democrats won a handful of off-year and special elections in 2017. Even where they fell short of victory, the party performed better than expected. President Donald Trump's approval ratings are stuck around 40 percent. And Democrats have a double-digit lead on the House generic ballot in most polls.

"This is the final window, so I expect the next month or so, we'll see the last wave of retirements," said former Virginia Rep. Tom Davis, who chaired the NRCC for two cycles in the 1990s and 2000s. "This is not 2006, and it's not 1994 yet. But I do think the atmospheric are factored into these members' rationale for retiring."

The 44 House members not seeking reelection this year — 29 in Republican-held seats and 15 in Democratic-held seats — puts 2018 in the company of past wave-year elections when control of the House changed hands.

In 1994, 49 House members retired and Republicans netted 54 seats, according to Brookings Institution's Vital Statistics on Congress. In 2006, 28 lawmakers retired and Democrats picked up 30 seats. And in 2010, 32 members retired and Republicans won 63 seats.

Not all Republican retirements carry the same weight in the battle for the House. Some committee chairmen calling it quits are prevented by internal party rules from remaining at the helm of their panels in the next Congress if Republicans hold the majority. Those include Reps. Jeb Hensarling and Lamar Smith of Texas, Bob Goodlatte of Virginia, Bill Shuster of Pennsylvania, and Gregg Harper of Mississippi — each of whom represent safe Republican seats.

But Issa and Royce — along with retiring Republican Reps. Ileana Ros-Lehtinen of Florida, Dave Reichert of Washington, Charlie Dent of Pennsylvania, Dave Trott of Michigan and Frank LoBiondo of New Jersey — represent competitive districts. Clinton carried the seats currently held by Issa, Royce, Ros-Lehtinen and Reichert. A fifth GOP-held Clinton seat will likely open up later this week, with Rep. Martha McSally of Arizona expected to announce she will run for the Senate.

Taken together, Republicans see all the retirements and open seats as an indication that the 2018 elections are likely to follow historical patterns: The president's party loses, on average, 23 seats in the House in the first midterm election of a new administration, going back to Franklin D. Roosevelt.

"It's obviously the sign of an ugly



J. SCOTT APPLEWHITE/AP

Rep. Ed Royce announced Monday that he'll retire from Congress at the end of his term. The California Republican represents a district Hillary Clinton won in 2016. His campaign had \$3.5 million in its account on Sept. 30, suggesting that the midterms are so competitive money won't save him.

cycle ahead," said Adrian Gray, a Republican pollster. "Oftentimes, these ugly cycles appear early, and people see writing on the wall."

Davis, the former NRCC chair, agreed.

"Every time another Republican retires, it makes it better for House Democrats — no denying that," he said. "This is not what you want to see because, when we've seen these types of retirements in the past, as

spend heavily in a growing number of districts without the advantages of incumbents' built-in name recognition and fundraising network.

Republicans believe their fundraising — bolstered by strong money hauls by the Congressional Leadership Fund, the flagship House GOP super PAC — serves as a firewall against an energized liberal base and long list of open seats. CLF and its associated nonprofit, Amer-

ing, even if the long-range forecast for November is less clear. Trump's approval rating is just under 40 percent in the RealClear-Politics average. Democrats have an 11.8-point lead on the generic ballot, on average — a lead consistent with making up the two dozen seats the party needs to win control later this year.

Trump's poll numbers were warning signs for Issa and Royce,

the retirements of Issa, a wealthy self-funder, and Royce, who had \$3.5 million in his campaign account as of Sept. 30, are signs that some Republicans are deciding money can't save them.

"Momentum is on our side as Democrats this cycle. History is on our side. But while I see a clear path to the majority, these are all tough elections," Luján said. "But the very nature that you see members of Congress in California [retiring] like Congressman Royce and Congressman Issa — who both have robust resources in their reelection accounts as well as personal wealth — I think sends a loud signal."

Stivers, his GOP counterpart, acknowledged that "history is against us, and the presidential polling, too." But he noted that Democrats failed to flip any GOP-held districts in special elections last year.

Despite the retirements, Stivers said Wednesday he thinks that Democrats are still "10 to 15 seats short" of really putting the House up for grabs.

"They're getting more seats in play," Stivers added. "I think at this point they need another 10 to 15 seats [to put the House] in play. They're still not there yet. But they're moving in the right direction, clearly."

Heather Caygle and Steven Shepard contributed to this report.

**"This is the final window, so I expect the next month or so, we'll see the last wave of retirements. This is not 2006, and it's not 1994 yet. But I do think the atmospheric are factored into these members' rationale for retiring."**

— Former Rep. Tom Davis

a general rule, a bad year follows."

Democrats must also contend with a handful of open battleground seats. Nevada Rep. Jacky Rosen is running for Senate, Minnesota Rep. Tim Walz is running for governor and New Hampshire Rep. Carol Shea-Porter is retiring. All three represent districts that Trump carried in 2016.

The sheer number of GOP open seats isn't only troubling for what it portends historically, though. The vacancies force Republicans to

ican Action Network, announced this week that they had raked in \$66 million over the course of 2017.

"Any time you've got to recruit new candidates and raise money from the ground up, it's a more expensive proposition. But Republicans are posting historic numbers, and they've seen this coming from a mile away," said Chris Grant, a Republican consultant. "To that the extent there's any storm, they're prepared to weather it."

That storm is easy to see build-

said Rob Stutzman, a GOP consultant there.

"There's no denying that this is real evidence of how difficult Republican success can be in California," said Stutzman. "But as with retirements elsewhere, for Republicans in districts that Trump lost, [Trump's] performance is a substantial factor."

Rep. Ben Ray Luján of New Mexico, chairman of the Democratic Congressional Campaign Committee, said Wednesday that

# Republicans backpedaling on producing a new budget

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dow,” Dan Holler, vice president of Heritage Action for America, told POLITICO on Wednesday.

Rep. Mark Sanford (R-S.C.), a House Budget Committee member, responded similarly when asked what he thought of the idea: “It’s another data point in a long series of unfortunate data points on fiscal discipline. ... In the same way a budget is important for determining spending for a family, it’s one of those absolute necessities and basics of financial discipline in government.”

Talks to forgo a GOP budget this year come at a breaking point for many fiscal hawks.

Congressional leaders are knee-deep in bipartisan spending negotiations that are shaping up to be a nightmare for conservatives, potentially raising federal spending by more than \$200 billion over two years, with few — if any — ways to pay for it. In the same month, Congress also plans to send Trump an \$80 billion-plus disaster relief package, the largest of its kind, with no offsets. And just this week, House Republicans announced a plan to debate a return of earmarks, which conservatives have called the “gateway drug” to spending.

It’s the latest sign of the decline of the party’s fiscal conservatives under Trump, who has shown little interest in cutting government spending and has begun to mold the party into his own image. The discussions also reflect the reality of the GOP’s slimmed-down Senate majority and the difficult politics of an election year that threatens Republicans’ hold on Congress.

GOP sources familiar with the discussion have cautioned that the 2018 agenda is far from set in stone. What’s more, leaders haven’t ruled out trying to pass messaging budgets in their own respective chambers, even if they don’t adopt a unified budget that allows for reconciliation.

The House GOP, for instance,



J. SCOTT APPLEWHITE/AP

Abandoning a new budget would mean the GOP would not be able to deploy reconciliation tools. “It’s another data point in a long series of unfortunate data points on fiscal discipline,” said Sen. Mark Sanford (center).

will probably have to try to pass such a document to keep its more conservative conference happy. But GOP leaders are under no illusion that such a plan could pass the Senate.

It’s one of the reasons some GOP leaders have discussed “deeming” top-line spending numbers — sim-

ply setting total spending levels without passing a budget. One idea that’s surfaced includes deeming numbers as part of any budget accord with Democrats in the coming days and weeks.

That’s unlikely to halt the push from some House Republicans for a budget, however. House conserva-

tives say they are itching for a fiscal brawl in 2018, even if it means going up against GOP leaders.

Many House Republicans are still stung from last year’s budget standoff with the Senate, when the House was forced to abandon plans for steep cuts to “mandatory” programs and swallow the

Senate’s deficit-busting blueprint. House conservatives are even fine with slicing deep into politically sensitive programs like Medicaid, food stamps or low-income housing subsidies to write a budget that reaches balance in 10 years — a task made exponentially more difficult after the GOP passed its tax plan that boosts federal deficits by more than \$1 trillion over a decade.

In fact, House Budget Committee members have already started discussing priorities for their fiscal blueprint, including mandatory spending cuts they want to tackle this year. Rep. Diane Black (R-Tenn.), the outgoing chair of the House Budget Committee, said members have come up to her and said, “As soon as we get back, we’ve got to start on this budget again, and we’ve got to make sure we do mandatory spending cuts.”

In a sit-down with POLITICO this week, Black said it would “absolutely” be a mistake for the House to skip a budget this year.

“They’re the problem,” she said, pointing to the Senate. “They don’t seem to have the same energy to get this financial situation under control, and that disturbs me, because you need both sides to do it.”

Rank-and-file lawmakers aren’t the only Republicans who will be unhappy with this outcome. Speaker Paul Ryan was eyeing reconciliation to pursue an ambitious welfare overhaul, though McConnell squashed the notion. Meanwhile, Sen. Lindsey Graham of South Carolina is one of several Republicans who’ve expressed a desire to take another run at health care using the fast-tracking tool.

Other Republicans seemed baffled that leaders would forfeit such a powerful legislative instrument so quickly.

“They need to change the [Senate] cloture rule, but until they do, the only way we’re going to be able to accomplish anything is through reconciliation,” Rep. Barry Loudermilk (R-Ga.) said. “We have to use reconciliation.”

## Senate negotiators optimistic on plan to avoid collapse of Iran deal

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nuclear pact they have perceived as irredeemably flawed from the start.

The task facing Corker and Cardin is further complicated as Trump remains undecided over whether to keep giving Iran sanctions relief. If he opts to revoke the relief, it would effectively torpedo the nuclear agreement before Congress has a chance to meet his demands for a stricter deal.

Corker said that he talked about Iran with Trump during an Air Force One trip to Tennessee earlier this week, and that Trump’s top advisers were expected to outline their suggested course of action to the president on Thursday.

Should Trump agree to continued sanctions relief for Iran, congressional talks would get critical running room — and, Corker suggested, potentially end up with an agreement that could get attached to a government funding measure that’s likely to come to a vote next month.

“This can’t go on forever, and

it would be good if this legislation could be attached to something that must pass,” Corker told reporters. “And we have some must-pass stuff coming up soon.”

Cardin didn’t rule out the possibility that any Iran language he and Corker can reach an agreement on with Trump’s national security adviser, H.R. McMaster, and Secretary of State Rex Tillerson would end up attached to a must-pass bill to surmount likely opposition from the left and the right.

“I would agree that this legislation — if we work it out and it has broad consensus — it’s going to have consensus from the center,” Cardin told reporters. “And therefore you may have members on the extreme that could disrupt it. ... So it might be convenient to try to put it onto a must-pass bill.”

But Cardin underscored that neither Senate Minority Leader Chuck Schumer nor House Minority Leader Nancy Pelosi has been asked yet to consider Iran language as an add-on to any must-

pass package. Current government funding expires on Jan. 19, at which point lawmakers may have to pass a new stopgap bill so they can keep working on a spending plan for the rest of the fiscal year.

Cardin also said he would support slapping Iran with new non-nuclear sanctions alongside European partners in the nuclear deal, using new Iran sanctions power that Congress gave Trump last year to target Iran’s ballistic missile program and human rights violations. Those new penalties against Tehran are part of the package of recommendations that Trump’s advisers plan to make to him on Thursday, according to The Associated Press.

“We hope that Europe and the president will be on the same page on non-nuclear sanctions,” Cardin said. “That would be very positive.”

But Cardin added that he had told the Trump administration that Democrats were going to “want to have our input” on the Iran mea-

sure, making clear that any agreement he and Corker are shaping remained in its early stages.

“We know what they’re looking at, and the framework can work,” Cardin told reporters. “There is a framework that can work.”

Corker seemed to agree, telling reporters that “we have a framework that’s generally good, and there’s some details that are still being discussed.”

Trump faces the convergence of two types of Iran deadlines over the next several days: a due date to certify whether Iran is in compliance with the 2015 nuclear accord, and another series of decisions to decide on the continued waiver of sanctions that were eased by the Obama administration in exchange for nuclear concessions. Trump opted not to certify Iran in compliance with the deal in October, although he chose not to ask Congress to reimpose sanctions to give lawmakers time to work out a legislative solution.

Among the issues under con-

sideration is whether to remove the requirement that Trump certify Iranian compliance with the nuclear pact every 90 days. Cardin said he would not object to changing that provision although there are “some disadvantages” to doing so.

“We’ve been told a couple of times that the president does not like to sign papers like this,” Cardin said. “If he doesn’t want to do that, I don’t find it objectionable.”

Corker and Cardin met with McMaster at the White House last Thursday, and Corker spokeswoman Micah Johnson said that the Tennessee — who tangled with Trump publicly earlier this year — had spoken with McMaster by phone since that meeting.

“Senator Corker remains engaged in productive discussions with the White House and a number of his colleagues in the Senate about the appropriate path forward, and our allies continue to be updated on relevant developments,” Johnson said in a statement.

# Seniors Need the Senate to Finish the Job. Repeal the IPAB!

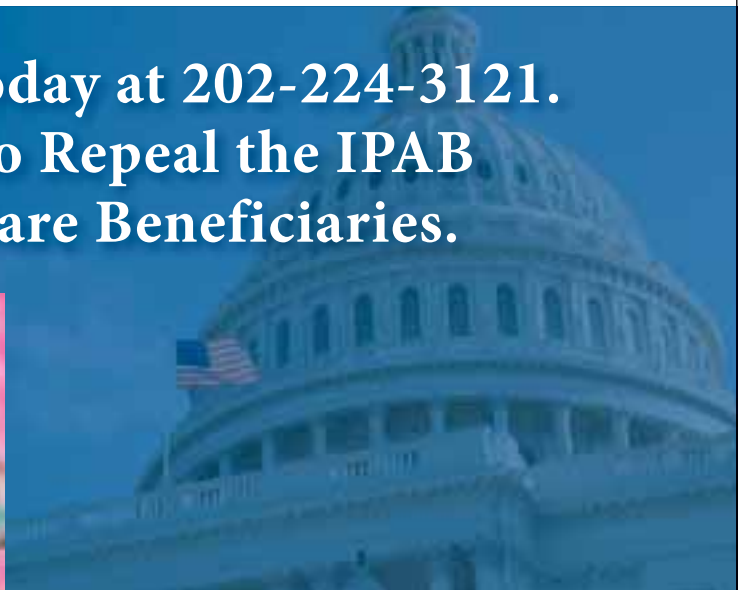


**The House of Representatives overwhelmingly passed H.R. 849, the Protecting Seniors Access to Medicare Act, with 307 votes, including 231 Republicans and 76 Democrats.** And, a bipartisan majority of Senators, including 14 Democrats, are sponsoring IPAB repeal. Without Senate action, Medicare funding is at risk.

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# Liberals urge leaders to resist GOP push

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factions of the Democratic conference, and, combined with opposition from Republican immigration hard-liners, they could put passage of a DACA deal at risk.

During a tense meeting Tuesday night, Senate Minority Leader Chuck Schumer of New York, House Minority Leader Nancy Pelosi of California and other top Democrats were dressed down by rank-and-file Democrats over the talks.

"We're willing to give a little when it comes to border security, but we're not willing to give away the whole hog and farm," said Rep. Ruben Gallego (D-Ariz.), a member of the Congressional Hispanic Caucus who attended the meeting.

He and other Democrats in the opposition camp argue that wide-scale changes to family-based sponsorship laws and the visa lottery should be discussed only as part of a broader immigration deal.

"I believe we need to pass a 'clean' Dream Act," Sen. Kamala Harris (D-Calif.) said. "If we're going to talk about, you know, all these other factors, then let's just talk about comprehensive immigration reform."

Several House liberals worry that Democratic senators, led by Minority Whip Dick Durbin of Illinois, will strike a bad deal and force them to swallow it.

The tensions couldn't come at a worse time for Democrats. Liberals and members of the minority caucuses — particularly the CHC and the Congressional Black Caucus — are urging their leadership to stand firm and resist the push from Republicans and some Senate Democrats to negotiate on items outside the scope of Dreamers and border security.

But moderates and vulnerable members in competitive districts are hungry for a deal and willing to openly entertain the controversial changes. Not to mention that Republicans in the White House and in both chambers of Congress have agreed those were the parameters of the talks and have been negotiating accordingly.

The drama has implications beyond the roughly 700,000 young undocumented immigrants who could face deportation after Trump decided to end the Deferred Action for Childhood Arrivals program.

Securing a DACA agreement is the key to advancing broader talks to fund the government beyond the upcoming Jan. 19 deadline. Democrats have said they won't agree to a deal on spending caps — a necessary first step to writing a long-term funding bill — before both sides reach a solution on Dreamers, opening the door to a potential government shutdown.

"Honestly," said Senate Majority Whip John Cornyn (R-Texas), "I don't think the Democrats are interested in a budget cap agreement until we reach some resolution on DACA."

Key Democrats are sympathetic to the furor from their left flank but aware something needs to pass Congress that can win Trump's signature. Senate negotiators believe their emerging agreement — which they say they're getting close to finalizing — will lose votes from the right and left, representing true concessions from both parties.



J. SCOTT APPLEWHITE/AP

House Minority Whip Steny Hoyer gives his support to "Dreamers" at the Capitol on Wednesday. Securing a DACA agreement is the key to advancing broader talks to fund the government beyond a Jan. 19 deadline.

Durbin heard the complaints firsthand from members of the minority caucuses when he met with them Tuesday, and he acknowledged the internal party pushback.

"We talked in the most general terms about the issues that we're facing. And there's controversy associated with them. There's no question," Durbin said. "Believe me, we hear them loud and clear."

On Wednesday, more details began to surface about the tentative plan from senators, a main group of five lawmakers who recently added a sixth — Sen. Robert Menendez (D-N.J.) — to their ranks.

To address conservative concerns about "chain migration," the senators are proposing that un-

Capitol Hill of the diversity visa lottery. The program doles out green cards for people from countries with lower rates of immigration to the United States, so it covers a lot of African and Caribbean immigrants.

Senators are considering effectively nixing the lottery and reallocating those visas to a separate program being terminated by the Trump administration aiding immigrants from countries facing natural disasters or civil strife. Countries affected so far by Trump's ending of Temporary Protected Status include El Salvador, Nicaragua, Haiti and Sudan.

While members of the CHC publicly say they will reject any deal

in a pre-emptive attempt to head off a Democratic rebellion, Pelosi met with Clarke and leaders of the CBC on Wednesday in an effort to soothe the tensions.

Still, some on the left are preparing to embrace a DACA deal they may not like, as the clock winds down toward Dreamers losing their legal protections en masse. That's despite a federal ruling Tuesday night that ordered the Trump administration to partially revive the Obama-era executive action.

"It's not a direction I'd like to go in. On the other hand, we have a sense of urgency about the DACA participants," said Sen. Mazie Hirono (D-Hawaii), a proponent of maintaining family-based immigration policy. "In spite of the recent ruling in California's district court, it's just a preliminary injunction, and that can be lifted. So I feel a sense of urgency."

It's still unclear whether the House could pass a Senate-approved DACA deal, even if a majority of Democrats hold their nose and vote for the plan.

Rep. Mark Meadows (R-N.C.), chairman of the conservative House Freedom Caucus, said he expects Democrats and Republicans to embrace a bipartisan DACA deal by the end of the week — but one he said his like-minded allies are unlikely to support.

Asked whether such a package earning Trump's support might affect how the deal is received, Meadows said conservatives might abandon the president over such a move.

"I don't expect that," he said. "But if that were to happen, this is one of the few issues that could create some daylight between the president and the grass roots."

Kyle Cheney contributed to this report.

**"We're willing to give a little when it comes to border security, but we're not willing to give away the whole hog and farm."**

— Rep. Ruben Gallego

documented parents who brought a child to the United States illegally would not be able to access a pathway to citizenship based on being sponsored by their children, said Sen. Jeff Flake (R-Ariz.). But the parents of Dreamers would be able to obtain a three-year provisional legal status that could be renewed, Flake said.

"We've got to get to 60 votes. In order to get 60 votes, you've got to get a bipartisan bill," Flake said. "I don't see any other game in town."

Some of the fiercest Democratic resistance to the emerging plan is coming from members of the Congressional Black Caucus, who are among the biggest proponents of

## POLITICO INFLUENCE

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### Kempthorne will leave American Council of Life Insurers

Former Idaho Gov. Dirk Kempthorne will step down as president and chief executive of the American Council of Life Insurers by early next year. "This is the appropriate time for ACLI to transition to a new president and CEO," Kempthorne said in a statement. "I will work closely with the Board of Directors on the search for, and transition to, my successor while maintaining continuity and momentum in our state, federal and international efforts this year." ■ Kempthorne, a Republican, has led the trade group since 2010. He also served as interior secretary in the George W. Bush administration. "The governor's contract was extended for a second time, with this one running through January 2019," said Jack Dolan, a spokesman for the trade group. "The governor believes that leading ACLI for eight years is the right length of time." ACLI maintains a major Washington lobbying presence, shelling out more than \$3.1 million in the first three quarters of 2017.

### Who lobbied on taxes

We're still learning who lobbied for whom on tax reform, since lobbying firms have 45 days to disclose new clients. Here's an intriguing one: Bank of America, Goldman Sachs, JPMorgan Chase and Morgan Stanley each hired James Duncan of Cleary Gottlieb on Nov. 22 to lobby on tax reform. Duncan is a tax lawyer based in New York whose only other lobbying client is the Securities Industry and Financial Markets Association, according to disclosure filings. He did not immediately respond to a request for comment.

■ Other tax lobbying revelations: The investment firm Edward Jones hired veteran tax lobbyist Ken Kies and two of his Federal Policy Group colleagues on Dec. 6 to lobby on tax reform. And Athene Holding, an insurance company based in Bermuda, hired McGuireWoods Consulting on Dec. 1.

### Humana quits AHIP

"Health insurance giant Humana has left the insurance industry trade group AHIP, both parties confirmed to POLITICO," POLITICO's Jennifer Haberkorn and Paul Demko report. "The company stopped paying dues at the beginning of this year but had been pulling back from AHIP activities and engagement since early 2017. The insurer 'communicated to us that this was a business decision,' and not a policy difference, AHIP spokeswoman Kristine Grow said."

— Theodor Meyer

David Beavers, Aubree Eliza Weaver and Daniel Lippman contributed to this report.

# Supreme Court wrestles with voter purges in Ohio

Three justices appear sympathetic to state

BY JOSH GERSTEIN

A challenge to Ohio's system for purging voters got a skeptical reception at the Supreme Court on Wednesday, with two of the court's Republican-appointed justices and one Democratic appointee sounding sympathetic to the state's use of a voter's failure to vote to trigger a process that often leads to being dropped from the registration rolls.

At issue is how to interpret a prohibition in a 1993 federal law, the National Voter Registration Act, on the use of nonvoting as a basis for removing people from the list of registered voters.

Civil rights groups contend that language means a failure to vote cannot be used to initiate a voter's removal, while Ohio contends it is permitted to use two years of nonvoting to send out mailings that can ultimately result in voters being dropped. Voting rights activists say the process leads disproportionately to minorities being disenfranchised.

During an hourlong oral argument session at the high court, Justice Samuel Alito expressed the strongest support for Ohio's position, while Chief Justice John Roberts repeatedly sought to poke holes in the arguments of those challenging the state's practices. Justice Anthony Kennedy also seemed skeptical about the challenge, although his stance seemed less definitive.

Three of the court's Democratic appointees — Justices Sonia Sotomayor, Elena Kagan and Ruth Bader Ginsburg — expressed disagreement with the state's interpretation of the law.

Alito argued that the law is most logically read as a prohibition on using nonvoting as the sole basis for removing a voter from the rolls. "The statute itself takes failure to vote into account," he observed, referring to sections talking about how long a voter must be kept in an inactive status before being struck altogether.

However, Kagan suggested Alito was departing from his professed loyalty to textualism by reading in something that isn't actually in the portion of the law that's in dispute.

"Isn't that just adding a word into the statute that Congress wrote?" she asked. "To add that word, 'solely,' is to change the meaning of the statute, and that word is not in that provision. Usually, we say Congress knows how to do a 'solely' provi-



WIN MCNAMEE/GETTY IMAGES

Sen. Sherrod Brown speaks at a rally held by Common Cause at the Supreme Court on Wednesday. Voting rights activists rallied to oppose voter roll purges as the court heard arguments in a challenge to Ohio's system.

sion, and it didn't do it here."

Sotomayor suggested the Ohio actions are part of a pattern of making it harder for certain groups of voters to cast their ballots.

"What you do results in disenfranchising disproportionately certain cities where large groups of minorities live, where large groups of homeless people live," she said.

Sotomayor also said it is "not a reasonable inference" to say someone moved because they did not vote and didn't answer a mailing. She noted that a Senate report related to the legislation asserts that voters have the right to stay home.

"They believed failure to vote was a constitutional right. You have a constitutional right not to vote," Sotomayor argued.

Later in the argument, Roberts picked up on that issue, suggesting

that the courts, or at least the Supreme Court, have never resolved that issue.

"There are many democracies that require you to vote, right? Australia ... you get a fine if you don't vote. And other places. And I have certainly seen it proposed it would be a good idea, given the low voter turnouts in our country, that we adopt something like that as well," the chief justice said.

One surprise came from Justice Stephen Breyer, a Democratic appointee, who said he believes states need a viable process to remove voters who have died or moved.

"What are they supposed to do?" he asked. "I don't believe Congress would pass a statute that would prevent a state from purging a voter file of people who died or moved out of state."

Kennedy seemed to strike a similar tone, sympathetic to states trying to clean up their rolls.

"The reason they're purging them is they want to protect the voter roll from people ... that have moved and they're voting in the wrong district. That's the reason. What we're talking about are the best tools to implement that reason, to implement that purpose," he said.

However, when Solicitor General Noel Francisco rose to defend Ohio's practice, Sotomayor immediately challenged him, pointing out that the Trump administration has reversed the interpretation of the law held by the Justice Department under Presidents Bill Clinton, George W. Bush and Barack Obama.

"It seems quite unusual that your office would change their position

so dramatically," Sotomayor said.

Francisco said he concluded that a state needed "reliable evidence" before initiating the process to remove a voter had no foundation in the statute. "That's found nowhere in the text. ... Congress in fact rejected" such proposals, he said.

While defending his interpretation, the solicitor general did allow that some aspects of the law might be murky. "The NVRA is not one of those statutes that I would hold up as a paradigm of legislative drafting," he said.

Defending his state's laws, Ohio state Solicitor Eric Murphy said officials needed to do more than simply use postal change of address lists to clean up voter rolls, a practice he said was "woefully inadequate" to the task because people often fail to file such forms.

While some activists have argued that the law prohibits triggering removal of voters based on failure to vote, the lawyer challenging Ohio's practices, Paul Smith, actually took a more subtle position Wednesday. He said failure to vote could play a part, but simply sending out a forwardable mailing and then removing a voter for failing to respond left states with no relevant basis for acting except nonvoting.

Smith appeared to concede that a non-forwardable mailing returned by the postal service as undeliverable would give a state enough information to move forward with switching a voter's registration to inactive and, eventually, deleting it.

Roberts said he felt that concession — that nonvoting could sometimes be a factor in starting the process — undercut Smith's case.

Despite the extensive arguments on the issue, no lawyer or justice mentioned that many people now rarely or never look at their so-called snail mail, preferring to communicate almost exclusively by electronic means, like email, text or social media.

However, Breyer did say that on occasion he does junk all his postal mail without reading it. "I confess to doing that sometimes," he said.

Smith said that practice is common and underscores the dangers in Ohio's system of sending a single mailed notice to those who haven't voted for two years.

"Most people throw it in the wastebasket. ... It doesn't provide any evidence at all," he said, adding that officials are left with no information about where a voter is living and "no idea which trash can it was thrown in."

## Arpaio slams Flake as he presses forward with Arizona Senate bid

BY LOUIS NELSON

Former Maricopa County, Arizona, Sheriff Joe Arpaio dismissed criticism from GOP Sen. Jeff Flake on Wednesday, telling Fox News that "at least I got the guts to face" voters in this year's midterm elections.

Arpaio, whose hard-line stance against illegal immigration made him a controversial figure nationwide, announced Tuesday that he would run for the Senate seat being vacated by Flake, who announced

last year that he would not seek reelection. Flake, in an interview with CNN on Tuesday afternoon, said he did not expect Arpaio's candidacy to last long and would not support him because the controversial former sheriff is "not our best foot forward as Republicans."

"I know he doesn't like me," Arpaio said on "Fox & Friends" Wednesday. "But who cares? He's not running. He's saying that I'm not going to last more than a month. That I'll leave. Well, what

about him leaving? He didn't have the guts to face the people to get reelected. At least I got the guts to face all the detractors, the Democratic Party, you name it. So he can have his opinion. I got mine. It doesn't bother me at all."

A spokesperson for Flake did not immediately respond to a request for comment.

In announcing his decision, Arpaio said he was motivated to run in part by a desire to support President Donald Trump. Flake has

been perhaps the president's loudest Republican critic.

Flake was also critical of Trump's decision last August to pardon Arpaio after his contempt of court conviction, which stemmed from the then-sheriff's defiance of a court order to end what a judge ruled to be racial profiling of Latinos. In announcing the pardon, a White House statement noted what it called Arpaio's "life's work of protecting the public from the scourges of crime and illegal immigration."



MATT YORK/AP

"I know he doesn't like me," Senate candidate Joe Arpaio said of Sen. Jeff Flake on Wednesday.

# Trump's earmark endorsement intoxicates Congress

Lawmakers love idea despite swamp aroma

BY SARAH FERRIS

When Rep. Mario Diaz-Balart found out that President Donald Trump had endorsed earmarks on national television, the 15-year House veteran fist-pumped into the air.

"Am I smiling when I'm not supposed to?" the Florida Republican asked reporters, chuckling.

In a week consumed by fighting over immigration, it was Trump's unexpected affirmation of pork-barrel spending that had Washington spinning.

Trump's improvised tribute to earmarks Tuesday lasted just two minutes after an unrelated White House meeting, but the political effects could be far-reaching as Congress mulls whether to allow a revival.

Trump reminisced in seeming familiarity with Congress that in the old days, lawmakers of both parties "went out to dinner at night, and they all got along, and they passed bills" — a vastly different portrait from today's gridlock. Earmarks, he suggested, could "get this country really rolling again."

The chances of ending the 2011 ban are dim in a midterm election year with the GOP's congressional majorities at stake. But some lawmakers have hope now that a key GOP committee is planning its first set of hearings on the issue in years. And House GOP leaders recently moved to restart a debate on earmarks that has been put on hold since fall 2016 in the wake of Trump's "drain the swamp" electoral victory.

Trump's latest taboo-busting position pits him against years of GOP orthodoxy, vexing powerful conservatives who helped propel him to the presidency. Heritage Action called it "nearly unthinkable."

"If Republicans bring back earmarks, then it virtually guarantees that they will lose the House," Club for Growth President David McIntosh said in a statement Tuesday.

But the president also gave voice to a nostalgia that's shared by many long-serving members of Congress, even if they don't often say it out loud.

"Maybe they'll breathe life into



EVAN VUCCI/AP

"Our system lends itself to not getting things done, and I hear so much about earmarks how there was a great friendliness when you had earmarks," President Donald Trump told lawmakers on Tuesday.

the whole idea. I'm all for earmarks," said House Appropriations Chairman Rodney Frelinghuysen (R-N.J.), whose panel would be ground zero for a revival of pet projects. Frelinghuysen has long argued that it's better for lawmakers to submit requests through his committee, rather than air-dropping them into spending bills through eleventh-hour amendments.

Rep. Robert Aderholt, who has served since 1997, was happily surprised to hear Trump's support, especially since it would empower Congress over executive agencies. "Usually the administration doesn't promote that," the Alabama Republican said.

A longtime member of the Appropriations Committee, Aderholt said he could back a return to earmarks "as long as it's done on a fair and transparent basis." He said it's better for elected representatives to dole out government cash, rather than "a group of bureaucrats a thousand miles away."

"The misnomer about that is that it is a 'swamp' issue," Aderholt said. "You could make the

argument that this is more getting rid of the swamp, holding people accountable."

Republicans insist it wouldn't be a return to Congress' old habits. Instead, they argue, it could grease the skids for government projects now choked off by bureaucratic red tape. Speaker Paul Ryan specifically cited the Army Corps of Engineers, which he said has "not been up to snuff about getting its job done."

"I want our members to have conversations," he told reporters Tuesday.

Meanwhile, Democrats reeled at Trump's comments.

"He's supposed to be a conservative, he's a GOP president, and he's talking openly about, 'Let's get them back,'" said Stan Colender, a longtime observer of the budget process and former Democratic budget staffer. "No Democrat would get away with this."

Democrats are unlikely to back any push to bring back earmarks in an election year, though plenty of members, particularly appropriators, support it.

"I'm for earmarks, I've made

that pretty clear publicly," Rep. Steny Hoyer of Maryland, the No. 2 House Democrat, told reporters Wednesday. He then rattled off a list of spending rules that have been tightened over the past decade.

"I believe it is the responsibility of the Congress of the United States to appropriate money for objects that it believes are in the best interests of their communities and their country," Hoyer said, adding that he plans to testify at next week's House Rules Committee hearing.

Line-item expenditures — also known as earmarks — were banned after a series of spending scandals that even led to jail time for one member.

Former GOP Rep. Randy "Duke" Cunningham was sentenced in 2006 to eight years in prison for accepting millions of dollars in bribes from defense contractors.

Two years later, lawmakers came under fire for the so-called Bridge to Nowhere in Alaska. The \$200 million expenditure exploded onto the national stage with the help of the 2008 GOP presidential ticket, Sen. John McCain (R-Ariz.) and

then-Alaska Gov. Sarah Palin.

Democrats launched reforms when they won control of both chambers in 2006, attempting to rein in funding for what were known as lawmakers' "pet projects." Then-Speaker Nancy Pelosi instituted a one-year moratorium in 2007.

But the drastic action came in 2011, after Republicans decisively won back their House majority. (The push was led by then-Speaker John Boehner, who proudly refused earmarks throughout his 21-year span in Washington.)

Weeks after the 2010 election, GOP leaders vowed to ban earmarks entirely — one-upping their Democratic counterparts who had sought to ban earmarks only for projects that benefited private companies. Public and nonprofit-driven projects would still be allowed.

Both parties helped increase scrutiny of the appropriations process in the late 1990s and early 2000s, at the same time that Congress was financing more special projects through spending bills.

In 1994, there were fewer than 2,000 earmarks. By 2005, there were about 14,000, according to PolitiFact.

Congressional leaders doled out the spending perks to members for any number of reasons: to reward party loyalty, to secure support for unrelated bills or simply to keep the government open.

Members of the powerful House spending panel — who have witnessed the decline of "regular order" in appropriations over the past decade — are particularly keen to restore the practice.

With a perpetual shortage of votes for spending legislation, Democrats and Republicans alike acknowledge that lawmakers once had a vested interest in those bills. Some have likened the 2011 ban to the Prohibition era, predicting that leadership will ultimately feel pressured to reverse course.

Now Trump has lent his support. "Our system lends itself to not getting things done, and I hear so much about earmarks — the old earmark system — how there was a great friendliness when you had earmarks," he said.

Jennifer Scholtes and Heather Caygle contributed to this report.

## In unanimous decision, judges toss out N.C. congressional map

BY ELENA SCHNEIDER

A three-judge panel on Tuesday struck down North Carolina's congressional map as an unconstitutional partisan gerrymander, giving the state Legislature only two weeks to adopt a new map and potentially throwing this year's elections into chaos.

In a unanimous decision, the panel said that if the General Assembly fails to enact a new map by Jan. 24, a special master will be appointed to draw the districts.

If the decision stands, it would be the second time the state was forced to redraw its congressional map this decade. The last redraw was in 2016, after a previous version was ruled unconstitutional for illegally using race to draw two seats.

But in this new decision, the panel ruled that the remedial map violated the equal protection clause when GOP legislative leaders drew the maps with an explicit conservative bias in an effort to favor Republican candidates. "Rather than seeking to advance any democratic or constitutional interest, the state legislator responsible for drawing the 2016 Plan said he drew the map to advantage Republican candidates because he 'think[s] electing Republicans is better than electing Democrats,'" Circuit Court Judge James Wynn wrote in the ruling.

The Raleigh News & Observer reported Tuesday night that Republican legislative leaders plan to appeal the ruling to the Supreme Court.

The state's congressional delegation is made up of 10 Republicans and three Democrats, even though recent statewide elections often reflect a nearly 50-50 split. In 2016, Republicans won the presidential race by 4 percentage points and the state's Senate race by 6 points — while Democrats carried the governor's race by less than 1 point.

State Rep. David Lewis, a Republican who led the redrawing process, said in 2016 that he proposed "we draw the maps to give a partisan advantage to 10 Republicans and three Democrats because I do not believe it's possible to draw a map with 11 Republicans and two Democrats."

The Supreme Court hasn't yet delivered guidance on how states

can or can't use partisan gerrymandering, but a similar case out of Wisconsin — *Gill v. Whitford* — is currently pending before them.

If the districts do need to be redrawn, legislators and the court will have little time to do it. The candidate filing deadline is Feb. 28, with the primary election set for May 8.

Democrats, meanwhile, believe that the panel's ruling opens up big opportunities, as the party hopes to chip away at its 24-seat deficit in the House.

"If we end up with new districts and a new map for this year, along with the wave that's coming, then Democrats have ripe opportunities to pick up three, four or five seats here alone," said Morgan Jackson, a Democratic strategist in the state.



GERRY BROOME/AP

North Carolina's legislature will have only two weeks to adopt a new congressional map, potentially throwing 2018's elections into chaos.



SUSAN WALSH/APS

The White House announced Tuesday that President Donald Trump will attend the World Economic Forum in Davos, Switzerland, later this month. Some West Wing advisers argue that Davos, with its global and financial, political and media elites, would be the perfect place for Trump to attack ideas — free trade deals, a more integrated global regulatory system — he deprecates.

## Coming soon to Davos: A Trump populist stink bomb

POTUS' visit to elites' Alpine lair seen as a 'Nikki Haley at the U.N. moment,' aide says

BY JOHN F. HARRIS  
AND BEN WHITE

The annual gathering of the World Economic Forum in Davos, Switzerland, will be choking with the kind of people who disdain Donald Trump and genuinely regard his presidency as a menace to the planet. In other words: *exactly* the kind of party Trump loves to crash.

Lots of very rich people. Lots of media. Lots of fevered what-is-he-really-up-to speculation. At the psychological level, the appeal of Davos for Trump is obvious.

The startling — though, in some ways, eye-rolling logical — news on Tuesday that Trump will join all manner of global financial, political and media elites in their famed Alpine lair later this month was for months quietly in the making, administration officials said.

WEF organizers had been lobbying for months for high-level administration participation, though they hadn't been counting on more than a few Cabinet secretaries.

What planners didn't know was that some West Wing advisers were arguing that Davos would be the perfect venue for Trump to unleash an especially gassy stink bomb aimed at ideas — free trade deals, a more integrated global regulatory system and all manner

of liberal pieties cherished by global elites — he deprecates.

One constant of Trump's rise to power is his desire to command the attention, if not the approval, of the very establishment institutions he claims to be contemptuous of. No surprise that news of Trump's Davos attendance was first leaked Tuesday morning to *The New York Times*, which Trump denounces and gives interviews to in seemingly equal measure.

Trump's controversial closing ad of the 2016 campaign featured video of GOP boogeyman George Soros speaking at a WEF event and included Trump railing against a "global power structure" that was crushing the American worker.

In 2017, days before his inauguration, Trump and Trumpism — with his denunciation of free trade, immigration and international institutions — dominated the conversation at Davos. But the absence of actual Trumpites — with the exception of a wise-cracking Anthony Scaramucci and a media parade that followed him everywhere — was glaring.

Now Trump will be the first sitting president since Bill Clinton in 2000 to attend.

The gathering at Davos, at the base of some of the most exhila-

rating ski slopes in Europe, also typically attracts financial titans like Bill Gates as well as liberal celebrity activists like Bono and Angelina Jolie.

Beyond the emotional charge of appearing before many people who regard him as a mysterious new virus — as well as some Wall Street types, like Blackstone CEO Steve Schwarzman, who have been more supportive — there seems to be at least a whisper of a strategic rationale for Trump going to Davos.

One administration official said Trump's appearance will be a "Nikki Haley at the U.N." moment, referring to a speech from the U.N. ambassador in which she threatened to pull U.S. funding from the organization over its condemnation of the administration's recognition of Jerusalem as Israel's capital. White House press secretary Sarah Huckabee Sanders said Trump will be trumpeting the same "America First agenda" he promotes at home.

Davos will also give Trump an opportunity to gloat to European and Asian competitors about the recently enacted tax bill that lowered the U.S. corporate rate to 21 percent, something that could pressure other governments to consider lowering their own rates.

"Europeans are worried about what Trump and the Republicans have done, and they should be," said Jack Ablin, chief investment officer at BMO Private Bank. "Because if

they don't follow suit, they risk losing out to investment in the U.S. I'd expect him to talk about that."

"I think it's a brilliant move," said Larry Kudlow, the conservative economist who could be the next director of Trump's National Economic Council. "He can sell his economic growth policy on the world stage and maybe take some whacks at the World Bank or the IMF. Remember, he went to NATO and told them to pony up, and they did."

These quotes suggest a more purposeful strategy behind Trump's public utterances than is necessarily obvious from his daily Twitter barrage, which often seems dictated by whatever excites him in the daily news cycle.

It is notable, however, that Trump's Davos appearance — the exact day of his speech has not yet been announced — will come just days before his Jan. 30 State of the Union address.

That is one traditional presidential platform that requires even a nontraditional president to do more than simply free-associate: The only way this nationally televised speech can succeed is if he lays out a coherent vision of how he views his presidency and what he plans to achieve in the year ahead. Most recent presidents have conceived of the State of the Union not merely as one night but part of a weeks-long campaign before and after the

speech to set the national agenda.

Last year, Trump's first address to Congress — the equivalent of a State of the Union address — was one of the few times in his presidency in which large parts of the Washington political and pundit class gave him credit for articulating a coherent and detailed vision of his policy agenda and the ideas behind it.

Now, on the heels of the successful legislative effort to overhaul the tax code, people will be looking for new answers to one of the overarching questions about this president: It is always obvious what people and policies Trump is against, but what is he for?

A year ago, adviser Steve Bannon was seen as one of the intellectual engines of the new administration — touting a nationalistic agenda that is anathema to most at Davos — but now he is exiled.

Still by Trump's side, however, are lots of people who feel perfectly at home at Davos — and who are expected to join him there, right before the big speech.

An administration official said the Trump delegation to Davos will be large and likely include Treasury Secretary Steven Mnuchin, National Economic Council Director Gary Cohn and son-in-law Jared Kushner, among others.

Matthew Nussbaum contributed to this report.



## OPINION

# Buy off Trump with the Wall

**RICH  
LOWRY**



**T**here is a very easy way for Democrats to get major concessions from President Donald Trump on immigration: Give him his Wall.

This is the key to a deal codifying the Deferred Action for Childhood Arrivals program, the Obama-era de facto amnesty for a segment of so-called Dreamers. All it takes is giving Trump a plausible start to the Wall that the president can then, in his inimitable way, promote as the greatest structure built on a border since Hadrian began his famous handiwork at the northern limit of the Roman Empire in 122.

That the Democrats very likely won't do this speaks to their irrational aversion to a Wall that they can't view dispassionately any more than Trump can.

It used to be that enhanced security on the border, and yes, a physical structure that in places is effectively a wall, had bipartisan support. The Secure Fence Act of 2006 passed the House by a vote of 283-138 and the Senate 80-19. It called for building roughly 700 miles of

double-layer fencing on the border, and no one seemed to believe that the United States had irreparably sullied its reputation.

This wasn't the first time anyone had thought of a fence, of course. There had been barriers in the San Diego area for a very long time, although not particularly robust ones. Beginning in the 1980s, more serious structures were built. According to the San Diego Union-Tribune, there are 46 miles of fencing overall and 13 miles of double fencing in the San Diego-Tijuana corridor, where there used to be a nightly influx of undocumented immigrants. In some sections, the barriers are 10-foot-tall military helicopter pads indistinguishable from a wall. Again, no one believes San Diego has closed itself off from the world by adopting a commonsensical and — in this urban area — effective prophylactic against illegal immigration.

But Democrats now find find physical barriers on the border offensive, especially if they have enough solidity to be called a Wall. One immigration advocate, in a typical sentiment, told The Huffington Post that the Wall is a “tool to instill hate and division.” This lunacy has rapidly become Democratic orthodoxy. Harry

Enten of 538 notes that in 2006 almost 40 percent of Democrats supported building a Wall. By February of last year, Democrats were against it by 89 percent to 8 percent.

The hostility toward the Wall is part of a broader Democratic leftward lurch on immigration, but also a simple schoolyard calculus that if Trump supports something, they must oppose it.

This forecloses the most basic legislative give-and-take. If Nancy Pelosi and Chuck Schumer gave Trump something significant on the Wall, they would be able to find their way home — as John Jay said after concluding an unpopular treaty with the British in 1795 — by the light of their own burning effigies. Their voters would scorn them as traitors complicit in the alleged horrid bigotry of Donald J. Trump.

So, they will probably fail to capitalize on a president almost certainly desperate to fall into their arms. At the extraordinary televised bipartisan meeting on immigration on Tuesday, Trump at one point said that he'd simply sign whatever Congress sent him. Aides and informal advisers who care much more about the substance of a restrictionist immigration policy quickly pulled him back in line.

The White House said it wants the Wall and an end to chain migration and the visa lottery in exchange for DACA.

For his part, though, Trump surely cares about one thing above all, and that's the Wall. He knows it was a signature campaign promise that fired up his voters like no other. He'd love to be able to go back to them with something, with almost anything, that he could brag about as the Wall. It's doubtful that his standards are particularly high — at one point last year, he tried to argue that maintenance of the currently existing fence is, in effect, a Wall.

This means that even a partial step toward a Wall might entice Trump into a deal. On the substance, Democrats who are latitudinarian on immigration should prefer this to any other agreement. An end to chain migration and the diversity lottery would constitute major, meaningful changes in our legal immigration system and reduced numbers of immigrants. Other enforcement measures, like E-Verify for employers, would do much more to squeeze illegal immigration. The Wall is an enhancement of the status quo rather than a departure from it, and even if Democrats go along for now, it's not clear that it

would ever get built.

Trump's statement at the DACA meeting that “I build under budget, and I build ahead of schedule” was the boasting of a developer used to having the leverage to squeeze contractors; it was completely removed from the reality of the federal government, even when grappling with much simpler projects.

The Secure Fence Act's bold promise of hundreds of miles of double fencing petered out under bureaucratic resistance and congressional backtracking. Democrats could easily, if they take the House in 2018 or win the presidency in 2020, defund the Wall or otherwise sabotage it. But if they got a lawful amnesty for 700,000 illegal immigrants or even more, depending on the parameters of a deal, that's never going away. It would in all likelihood become the predicate for further amnesties in the future.

That's why restrictionists worried about Donald Trump's reliability on this issue have an important backstop against a bad deal: the recalcitrance of Democrats who oppose the Wall more than they support amnesty for Dreamers.

*Rich Lowry is editor of National Review.*

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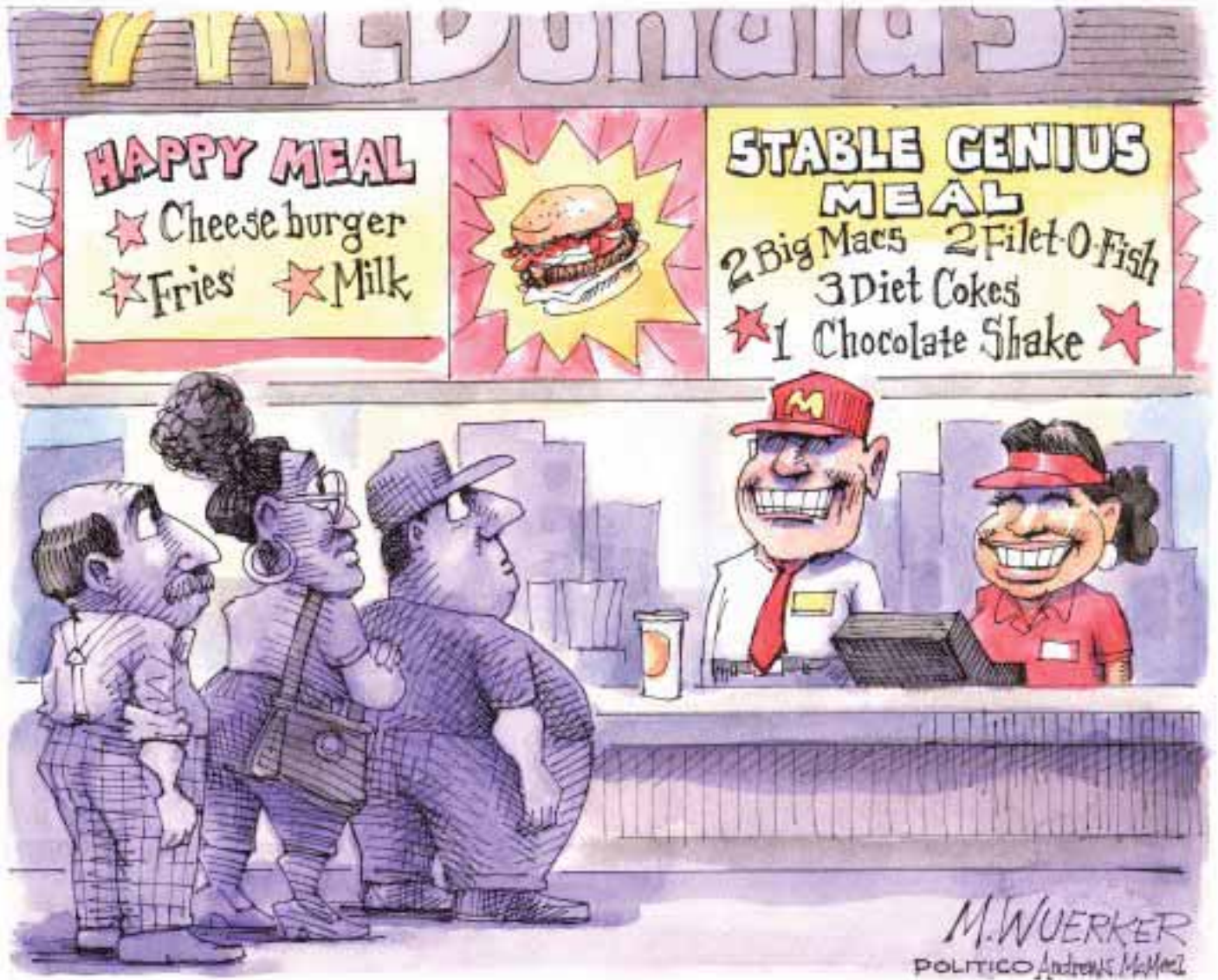
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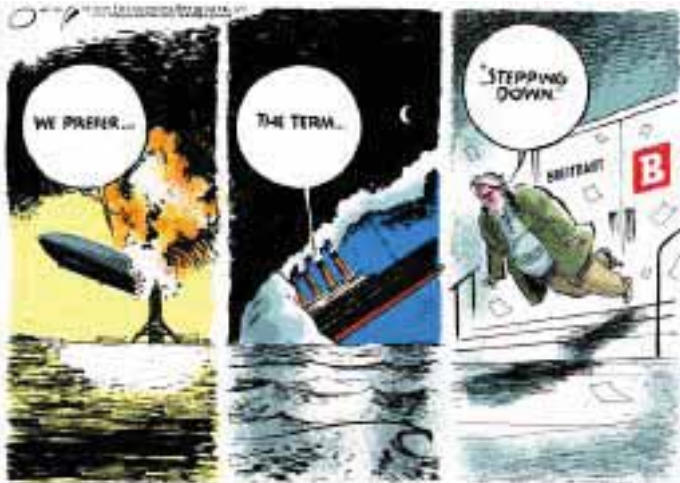
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