

September 22, 2020

Today's Driving Events

- **Debate Season is Near:** The presidential debates begin one week from today as President Trump looks to use the faceoff against former Vice President Joe Biden to help mount a comeback in the polls. While the debate will be highly watched, it's impact on changing the trajectory of the race remains uncertain.
- **Covid Vaccine Not Free for Everyone:** Those seniors signed up for Medicare fee-for-service will have to pay a nominal fee for their Covid-19 vaccine, because under current law, the program only offers full coverage for products with final approval, not emergency use authorization (EUA). This is a small obstacle for seniors on a fixed income, but it is also telling that an EUA is being used as the Trump administration's base case for when to begin distribution of a Covid-19 vaccine.
- **DOD Looks at Wholesale 5G Network as NTIA Holds Spectrum Policy Symposium:** Calls for the Trump administration to establish a nationwide government-run 5G network are getting louder, with the Pentagon last week issuing a Request for Information that could potentially pave the way for private companies to bid on contracts to build such a network for both military and commercial operators. However, opposition coming from the wireless industry, not to mention opposition from some inside the Trump administration and Republican lawmakers, hasn't gone away, which means implementation of this plan remains a long shot. Expect this opposition to come up during a spectrum symposium event that's being held today by the National Telecommunications and Information Administration.

Trump and Biden Set to Debate in One Week: A week from today, President Trump and former Vice President Joe Biden will meet in Cleveland, OH for the first presidential debate. This will be the first face-to-face (from a distance) encounter of the two general election candidates. Presidential debates are the [most watched](#) political event of the campaign cycle, with the first Trump-Clinton debate in 2016 drawing a record 84 million viewers. **Debates are as much about meeting expectations as they are about winning. Biden won the Democratic primary in part by meeting the low expectations set for himself at the debates. A similar**

dynamic may be at play for the upcoming debates. Trump has repeatedly christened Biden with the nickname "Sleepy Joe" and [accused him](#) of taking performance enhancement drugs to help with his debate performance. **If Trump is setting the expectation that Biden is incoherent with cognitive issues, Biden has a low bar when he's running to be the *acceptable* alternative to Trump among a majority of Americans who are anti-Trump.** The Trump campaign got the memo and is [trying to raise the expectations](#) of Biden's debate performance. Trump may be lowering expectations for himself as he's [reportedly not engaging](#) in formal preparations for the debate, instead holding informal discussions and relying on his "ability to fire back at an opponent in real time." The Trump campaign views the debate as a critical opportunity to define Biden as a hapless stooge for the radical left and make the election a clear choice rather than a referendum. **But debates aren't as cracked up as they are hyped in impacting the election.** On the day of the first debate in 2016, Hillary Clinton [led](#) Trump in national polls by 2.3 points. Clinton ended up winning the popular vote by 2.1 points. On the day of the first debate in 2012, President Obama [led](#) Mitt Romney by 3.1 points. Obama ended up winning the popular vote by 3.9 points. Of course, the first 2012 debate was known for Romney's outperformance of Obama and the polling showed a tightening in the race afterwards. But the tightening proved either illusory or temporary. **In a historically steady race between Trump and Biden, there may be a limit to how much a debate can change the trajectory of the race.** An [NBC/WSJ national poll](#) released this week showed Biden with an eight-point lead over Trump among registered voters, with three percent voting for someone else and another three percent unsure of who to support. Among voters not currently supporting Trump, only one percent said there was a "fair chance" they might vote for him. That number was just two percent among voters not currently supporting Biden. When asked about the upcoming debates in determining who to support, 71 percent of voters essentially said the debates don't matter all that much. **Still, even a marginal change from the debates could have an outsized impact in swing states where the race is closer than the national polling. The impact would be even further magnified in the race for the Senate, which is closer than the presidential race.** We will publish a Spotlight Report this afternoon with a more in-depth analysis of the implications of next Tuesday evening's matchup between Trump and Biden.

Medicare Can't Make Covid Vaccine Free If Approved Under EUA: Medicare fee-for-service beneficiaries, under current law, will be forced to fork over at least a token sum of money for their Covid-19 vaccines, as it has been determined that the program cannot waive all cost sharing. The Trump administration has publicly stated that Medicare Advantage beneficiaries, people on Medicaid, and those with private insurance all will be able to receive the vaccine free of charge. This is due in part to legislative language added to the CARES Act from this past spring, but also is the result of jawboning from Trump health officials. Additionally, leftover Provider Relief Fund money will be used to cover the uninsured. Importantly, this cost sharing only has to occur if a vaccine is approved under an emergency use authorization (EUA), and not full approval from the Food and Drug Administration (FDA) -- Medicare

covers vaccines under the normal approval process, just not under an EUA. **That the Department of Health and Human Services is repeatedly discussing ways to try to bridge this financial delta and ensure that a vaccine is free for everyone shows that many officials seem to already have accepted that a vaccine will first be rolled out under an EUA and NOT under the normal and full approval process, which presumably would come later and use the effectiveness and safety of the initial recipient populations as evidence for final approval.** This problem can be fixed via legislation, but not via an executive order and with the opening of a fight over the next Trump nominee to the US Supreme Court, the need for Congress to pass a continuing resolution (CR) to fund the government, and many members of Congress itching to campaign in their districts before the November election, the odds of getting a pre-election fix are exceedingly slim. Another complicating factor is that we do not think Democrats would want to help the Trump administration utilize the EUA pathway, even if he won the election, as many are highly skeptical of the speed at which vaccines are being developed amid instances of alleged political interference from his advisors with career scientists and physicians. For the millions who utilize fee-for-service Medicare (likely a large number of the second wave of those being vaccinated with the first being physicians, nurses, and first responders), they will have to pay a nominal sum -- \$3.50 has been discussed, as an administrative fee. This may change under a Biden administration, but it would not likely be able to be addressed until winter 2021 at earliest.

DOD Considering Government-Run 5G Network (Again): Late last month, just as the Republican National Convention was kicking off, the Trump campaign [released the president's second-term goals](#). Among the more important wireless policy priorities listed was President Trump's promise that he would "win the race to 5G and establish a national high-speed wireless internet network." **Proposals calling for a state-run 5G network are nothing new, given repeated attempts by Trump allies such as former House Speaker Newt Gingrich (R-GA), longtime GOP strategist and Rivada Networks lobbyist Karl Rove, and Trump campaign official Brad Parscale to get such a wholesale model up and running. However, what is new this time around is that the Department of Defense (DOD) has now taken the step of releasing a Request for Information (RFI) [asking for input](#) on "alternative approaches" to sharing its 5G-friendly airwaves for commercial use.** The RFI, which was published on Friday, is considerably vague and asks questions about how the DOD could free up spectrum in the 3100-3550 MHz band (currently used for ground-based and ship-based radar operations) for 5G, though the language used by DOD officials in the RFI suggests that the Pentagon wants to retain ownership of this band for military "training, readiness, and lethality" and to "lease" it to the wireless industry for commercial 5G services. It also asks about how dynamic spectrum sharing (DSS) would work with existing commercial spectrum bands and asks for more information about "potential issues" that could arise if the DOD owned and operated independent networks for its 5G operations. Proponents of a government-run wholesale 5G network [told The](#)

[Wall Street Journal](#) that if adopted by the Pentagon the new network would resemble closely to **AT&T's (T)** FirstNet, a program that provides wireless services to police, firefighters, and other public safety entities. While some wireless groups such as the Wireless Internet Services Provider Association (WISPA), a group that represents smaller fixed wireless Internet operators in the US, praised the DOD's RFI, larger carriers like **Verizon (VZ)**, **T-Mobile (TMUS)**, and AT&T, which the wireless industry trade association CTIA counts as members, have been far less enthusiastic about moving toward a wholesale network and away from the traditional method of divvying up underutilized airwaves via Federal Communications Commission- (FCC) or privately-ran auctions. "We must stay the course and focus on private-sector solutions," Nick Ludlum of CTIA said recently. As mentioned above, calls for the US military to enter into the mix and establish a nationalized 5G network to boost America's standing in the global 5G race and beat out China are nothing new. Despite some roadblocks and concerns raised by various Trump administration officials, such as FCC Chairman Ajit Pai and GOP FCC Commissioner Mike O'Rielly, an official who has seen his standing with the president greatly diminish recently and even his renomination get nixed, efforts to lobby the White House to make this happen have continued for some time now, largely by Parscale, Rove, Gingrich, former **Google (GOOGL)** CEO Eric Schmidt, and reportedly also White House Chief of Staff Mark Meadows. For what it's worth, Rivada Networks, which is represented by Rove, has expressed considerable interest in becoming the entity that would dish out Pentagon-owned airwaves as have other defense contractors. Schmidt, who recently terminated his three-year term as head of the DOD's Defense Innovation Advisory Board, an entity that doesn't really have much sway over the Pentagon's decisions, also spoke at a virtual conference just days before the DOD released its RFI. He argued that traditional spectrum auctions are "not the most efficient use of the spectrum" and that "China has already won" the race to 5G. **However, given the opposition put up by current FCC leadership, the big wireless carriers, not to mention GOP lawmakers on the House Energy and Commerce Committee, we remain confident that a government-run 5G network won't get adopted, but this doesn't mean there won't be more delays in getting DOD-owned spectrum out to the commercial market.** Investors should expect to see more industry opposition to the DOD's RFI come up in public comments, which are due by October 19th, and also likely from some government officials at [today's 2020 Spectrum Policy Symposium event](#) that's being held by the National Telecommunications and Information Administration (NTIA).

House

The House will reconvene at 11:00 a.m to consider a continuing resolution for FY21 appropriations. The House will also consider a bill that would repeal a requirement that the FCC reallocate and auction the T-band spectrum.

Senate

The Senate will reconvene at 10:00 a.m. to resume consideration of Edward Hulvey Meyers' nomination to be a judge for the US Court of Federal Claims. At 11:30 a.m., the Senate will hold a final confirmation vote on Meyers' nomination and a procedural vote on Andrea R. Lucas' nomination to be a member of the Equal Employment Opportunity Commission (EEOC). The Senate will recess for respective weekly caucus lunches until 2:15 p.m., when it is expected to hold a final confirmation vote on Lucas' nomination and a procedural vote on Keith E. Sonderling's nomination to be a member of the EEOC.

White House

President Trump will receive his daily intelligence briefing at 12:30 p.m. The president will deliver remarks at a campaign rally in Pittsburgh, PA at 7:00 p.m.

Macroeconomic

At 9:00 a.m., the Peterson Institute for International Economics will hold a webinar titled "What Reforms Does the U.S. Financial System Need?" [More information here.](#)

At 10:00 a.m., Chicago Federal Reserve Bank President Charles Evans will speak at an Official Monetary and Financial Institutions Forum event on the future of the US economy and the path to recovery.

At 1:00 p.m., the Atlantic Council will hold a webinar titled "Re-Envisioning Economic Statecraft and American Power." [More information here.](#) Expected participants include:

- David McCormick, CEO, Bridgewater Associates

Coronavirus and Coronavirus Relief Legislation

From today through Thursday, the National Academy of Sciences, Engineering, and Medicine will continue its virtual workshop titled "Population Health in Challenging Times: Insights from Key Domains." [More information here.](#)

At 8:00 a.m., the Business Council for International Understanding will hold a virtual discussion titled "The Double Burden of Disease: Maintaining NCD (noncommunicable disease) Services amid COVID-19." [More information here.](#)

At 10:30 a.m., the House Financial Services Committee will hold a hearing titled "Oversight of the Treasury Department's and Federal Reserve's Pandemic Response." [More information here.](#) Expected participants include:

- Steven Mnuchin, Secretary of the Treasury
- Jerome Powell, chairman, Federal Reserve Board of Governors

At 11:00 a.m., the Brookings Institution will hold a webinar titled "The 2020 American Family Survey: Attitudes Toward Family, COVID-19, Politics, Race, and Economic Well-Being." [More information here.](#)

At 2:30 p.m., the House Joint Economic Committee will hold a hearing titled "The Economic Impact of America's Failure to Contain the Coronavirus."

Cybersecurity

Today and Wednesday, the National Science Foundation will hold a meeting by webcast of their Advisory Committee for Cyberinfrastructure. [More information here.](#)

At 3:00 p.m., the Senate Homeland Security and Governmental Affairs Committee Subcommittee on Federal Spending Oversight and Emergency Management will hold a hearing titled "State and Local Cybersecurity: Defending Our Communities from Cyber Threats amid COVID-19."

Defense

Today and Wednesday, the National Defense Industrial Association will hold its virtual 2020 Undersea Warfare Conference. [More information here.](#)

At 11:00 a.m., the House Oversight and Reform Committee Subcommittee on National Security will hold a hearing titled "Examining the Trump Administration's Afghanistan Strategy, Part 2." [More information here.](#)

At 1:00 p.m., the House Armed Services Committee Subcommittee on Tactical Air and Land Forces will hold a hearing titled "Modernization of the Conventional Ammunition Production Industrial Base." [More information here.](#)

Energy, Environment and Natural Resources

At 9:00 a.m., the Center for Strategic and International Studies will hold a webcast titled "Just Transition: From Aspiration to Action," focusing on moving "from emissions-intensive energy sources to more resilient communities and economies." [More information here.](#)

At 10:00 a.m., the Senate Energy and Natural Resources Committee will hold a hearing titled "Offshore Energy Technologies."

At 10:00 a.m., the United States Energy Association will hold a webinar titled "Dynamic Delivery - America's Evolving Oil and Natural Gas Transportation Infrastructure." [More information here.](#)

At 11:00 a.m., the American Security Project will hold a webinar titled "Climate Change as a Threat Multiplier." [More information here.](#)

At 11:00 a.m., the Alliance for Market Solutions and Niskanen Center will hold a virtual briefing titled "Carbon Border Adjustments: An Opportunity for the US," examining a European Union agreement to impose a carbon border adjustment by 2023.

At 12:00 p.m., the House Natural Resources Committee Subcommittee on Energy and Mineral Resources will hold a hearing titled "Trump Administration Broken Promises on Renewable Energy."

Geopolitical

At 8:00 a.m., the US Chamber of Commerce's International Affairs Division will hold a webinar on "foreign policy, global trade and national security." RSVP for more information to cposner@uschamber.com. Expected participants include:

- Tony Blinken, senior foreign policy adviser to the Biden for President campaign

At 9:00 a.m., the Center for Strategic and International Studies will hold a webcast titled "The China Economic Risk Matrix: Pinpointing the Dangers in China's Financial System." [More information here.](#)

At 2:30 p.m., the Senate Commerce, Science and Transportation Committee Subcommittee on Security will hold a hearing titled "US Coast Guard Capabilities for Safeguarding National Interests and Promoting Economic Security in the Arctic."

At 5:00 p.m., the Atlantic Council will hold a webinar titled "the intersection between current U.S. domestic challenges and America's standing and role in the world." [More information here.](#) Expected participants include:

- Rep. James Clyburn (D-SC)

Healthcare

At 10:00 a.m., Connected Nation Michigan will hold a virtual discussion titled "The FCC's Impact on Telehealth Innovations and Programs." [More information here.](#) Expected participants include:

- Ryan Palmer, chief, Telecommunications Access Policy Division, Federal Communications Commission

Judicial

At 9:00 a.m., the Georgetown University Law Center's Supreme Court Institute will hold its annual media briefing via webcast titled "Anticipating the Supreme Court's October Term 2020." [More information here.](#)

Tech-Media-Telecom

At 8:30 a.m., the National Telecommunications and Information Administration will hold its annual spectrum symposium by webcast entitled "Spectrum Sharing for the Next Decade." [More information here.](#)

At 8:30 a.m., the Federal Trade Commission (FTC) will host a virtual workshop titled "Data To Go: An FTC Workshop on Data Portability." [More information here.](#) Expected participants include:

- Andrew Smith, director, FTC Bureau of Consumer Protection

At 10:00 a.m., the Federal Communications Commission's Technology Advisory Council will hold a virtual meeting to hear presentations from four working groups: 5G/IOT/V-RAN; Future of Unlicensed Operations; Artificial Intelligence; and 5G Radio Access Network Technology. [More information here.](#)

At 12:00 p.m., the German Marshall Fund of the United States will hold a webinar titled "Democracy in the Digital Age." [More information here.](#)



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