Ruth Bader Ginsburg, associate justice of the Supreme Court of the United States, died—confirmation hearings for her successor are underway. The coronavirus has struck the White House. The candidates are debating, and we are weeks out from the election. Talks on future COVID-19 stimulus measures have stalled. Relations with China deteriorate further. Congress takes aim at "big tech."

Remembering Ruth Bader Ginsburg & the New Supreme Court Session

Supreme Court Justice Ruth Bader Ginsburg, died on September 18. Ginsberg, the second woman appointed to the Supreme Court, was a cultural icon and pioneering advocate for women's rights. Ginsburg requested, on her deathbed, that she "not be replaced until a new president is installed." Disregarding those wishes, immediately after her death, President Trump and the Republican Senate Majority Leader, Mitch McConnell, moved swiftly to fill her seat, nominating Judge Amy Coney Barrett. Seeking to confirm a Supreme Court justice this close to an election drew howls of hypocrisy from Democrats, as McConnell refused to allow consideration of President Barack Obama's nominee to fill the seat of the late Justice Antonin Scalia in 2016. Senate Democrats also question the wisdom of holding hearings for Ginsburg's would-be successor while the coronavirus pandemic continues to rage—especially as three Republican Senators, including two who sit on the Senate Judiciary Committee, recently tested positive for the virus. Nevertheless, there is little Democrats can due to slow the process and, given the timeline put forward by Judiciary Committee Chairman Lindsey Graham, Coney Barrett will likely be confirmed before the November 3rd election.

The Supreme Court also started its new session on October 5 with 8 justices. A number of important cases will be heard by the Court during this term, highlighting the importance of Coney Barrett's nomination as her confirmation will shift the ideological balance to the right. There is also the possibility that the presidential election will be in dispute, leaving them to arbitrate the outcome—as was the case in 2000. Cases coming up this term that are worthy of note include: a challenge to the Affordable Care Act, known as ObamaCare; voting rules in Arizona; a dispute that pits religious rights against nondiscrimination protections for LGBT people in a case scheduled for Nov. 4, a day after Election Day; and the long-running dispute over House Democrats' request for access to grand jury materials from former special counsel Robert Mueller's Russia probe.

Outbreak in the White House

President Trump, First Lady Melania Trump, and a number of the President's closest advisors have contracted the coronavirus. Trump, who disclosed his positive test on October 1, was taken to Walter Reed Medical Center for treatment and was subsequently released on October 5. Much is unknown about the President's COVID-19 timeline—including when he initially tested positive, when his last negative test was prior to that diagnosis, and who he had contact with at events leading up to his positive test. Many suspect that the "super spreader" event was the September 26 rose garden celebration announcing the nomination of Amy Coney Barrett—few wore masks or kept socially distant. In addition to the President and First Lady, at least 34 White House staffers "and other contacts" have been infected.

The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All statements of fact and expressions of opinion contained herein are the sole responsibility of the author. This newsletter was produced on Wednesday, October 14. Developments after that date will be covered in the next issue of **The Real Deal.**

Beyond the White House, the pandemic continues to roil Washington. In early October, the <u>nation's top military commanders</u>, members of the Joint Chiefs of Staff, including General Mark Milley, the chairman, were self-quarantining. The military commanders isolated themselves after coming into contact with the vice commandant of the Coast Guard, Admiral Charles Ray, who tested positive for the virus. <u>On Capitol Hill</u>, at least twenty lawmakers have tested positive for the virus since the start of the pandemic, with at least five positive cases in October.

Debate Season - State of the Race

President Trump and Vice President Biden took to the debate stage on September 29. The 90-minute showdown, moderated by Chris Wallace of Fox News, was most notable for its lack of structure and decorum as Wallace tried repeatedly to gain control of the debate, without success. Trump bulldozed his way through the exchange, interrupting Biden and Wallace at every turn. While light on policy, there were a few notable takeaways. In perhaps the segment that will be replayed most, Trump refused to condemn White supremacists after being asked to do so multiple times. Trump also declined to say that he would honor the results of the election, calling the validity of the process into question—Biden, for his part, insisted that if Americans vote in large numbers a contested election could be prevented. The President also sought to divert attention from the pandemic, openly said the vaccine process is political, and mocked Biden for wearing a mask. With Trump's contraction of the coronavirus, the status of future debates is in doubt. The President backed out of the October 15th debate, saying he opposed to holding it virtually rather than in-person.

Polling conducted immediately after the debate shows Biden increasing his lead nationally, as well as in key states. As of this writing, Biden is up 10 points in the **RealClearPolitics average** of national polls. In swing states, Biden is up 7 points in **Pennsylvania** and **Michigan**, slightly more than 6 in **Wisconsin**, approximately 4 in **Florida**, nearly 3 in **Arizona** and 2 in **North Carolina**. **FiveThirtyEight's latest analysis** gave Trump just a 13 percent chance of winning and assessed the chances of Biden winning an Electoral College margin of more than 100 electoral votes at greater than 60 percent.

Another Round of COVID Stimulus? Negotiations at a Standstill, Fed Urges Action

Negotiations between the White House and Capitol Hill on additional coronavirus stimulus appear at an impasse as the administration's latest \$1.8 trillion proposal was rebuffed by members of both parties. Negotiations have been primarily occurring between House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin, with House Democrats pushing legislation with a \$2.2 trillion price tag. Senate Republicans have been absent from the negotiations and it is unclear whether McConnell could bring his conference along on any deal that could pass the House. With negotiations stalled, and a large deal increasingly unlikely, White House Chief of Staff Mark Meadows and Mnuchin asked lawmakers to pass legislation allowing the Trump administration to redirect about \$130 billion in unused funding from the Paycheck Protection Program intended for small businesses—another move unlikely to advance in the House. Congress passed four bipartisan bills totaling \$3 trillion in new spending in March and April, but since then they have failed to reach any new agreement and many of the programs approved in the spring have expired.

The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All statements of fact and expressions of opinion contained herein are the sole responsibility of the author. This newsletter was produced on Wednesday, October 14. Developments after that date will be covered in the next issue of **The Real Deal.**

The Federal Reserve has been urging additional stimulus and Fed chair Jerome H. Powell warned that without more spending there could be a "a weak recovery, creating unnecessary hardship for households and businesses." Moreover, Powell warned of a "tragic" scenario where "a long period of unnecessarily slow progress could continue to exacerbate existing disparities in our economy." Minneapolis Federal Reserve President Neel Kashkari also called for more for fiscal aid, saying "the reason the economy bounced back as strongly as it did in June and July is because Congress was so aggressive in the spring. We need Congress to continue to be aggressive so that the recovery can be stronger." These politically sensitive interventions reflect the fear that recovery could stall without new aid.

Relations with China Deteriorate Further

The Department of Labor recently released a <u>report</u> that ranks China as the top country of origin for goods produced through forced labor, which the importation of is prohibited by U.S. law. By labeling products as tainted by forced labor, the U.S. is indicating it will be scrutinizing supply chains for links to factories that employ those practices. In a related move, The House passed a <u>measure</u> to ban products made with forced labor in China's mass detention camps—the legislation is awaiting action in the Senate. Also on Capitol Hill, the House Permanent Select Committee on Intelligence released a <u>major report</u> finding that the U.S. intelligence community has failed to adapt to the growing threat from China. In late September, House Republicans released a <u>report</u> on China that contained 180 legislative proposals to mobilize U.S. government action in six areas: ideological competition, supply chains, national security, technology, the economy and energy, and competitiveness.

Big Tech Under Fire

The House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law, under the leadership of Congressman David Cicilline (D-RI), released a long-awaited report on competition in digital marketplaces. The report is the culmination of a 16-month investigation of Google, Apple, Amazon, and Facebook. Investigators reviewed over one million documents from the companies and their competitors, heard testimony from the CEOs of the aforementioned companies, and conducted interviews with hundreds in the industry. They found that Amazon achieved its dominant position in part through acquiring competitors and that they enjoy a monopoly over and mistreat third-party sellers. Apple exerts monopoly power over software distribution to more than half the mobile devices in the U.S. and the report accuses the company of exploiting rivals by levying commissions and fees and copying apps. Facebook has monopoly power in the social networking space and takes a "copy, acquire, kill" approach to would-be rivals. Google has a monopoly in the general online search and search advertising markets, maintaining its position through anticompetitive tactics such as undermining vertical search providers and acquiring rivals. The report, which runs over 450 pages, includes a series of recommendations on how to address the concentration of market power in those firms, including revamping existing antitrust laws and strengthening the Federal Trade Commission and Department of Justice antitrust team. While the investigation launched last June was always billed as a cooperative effort between the parties, support for the recommendations appears to have frayed on party lines and Representative Jim Jordan (R-Ohio), ranking member of the full Judiciary committee, asked that his Republican colleagues not sign on.

The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All statements of fact and expressions of opinion contained herein are the sole responsibility of the author. This newsletter was produced on Wednesday, October 14. Developments after that date will be covered in the next issue of **The Real Deal.**

Personnel Moves

Commerce Department – **Ned Rauch-Mannino** is acting deputy assistant secretary for global operations.

Department of Defense – **Justin Johnson** is deputy assistant secretary for space policy.

State Department – Ambassador **Terry Branstad** is leaving China, Deputy Chief of Mission **Robert Forden** will be Charge d'affaires. **Ryan Tully** is the nominee for assistant secretary for verification and compliance. **Chip Dean** is the director for Europe in the bureau of energy resources. **Whitney Baird** is Deputy Chief of Mission and Charge d'Affaires at the mission to the OECD.

Health and Human Services Department - **Mara Burr** is Director, Multilateral Relations, in the Office of Global Affairs.