

# **Trump's Joint Address to Congress: Analysis of the Administration's Policies and Priorities**

Featuring Presentation Center analysts Justin Brown and Madelaine Pisani  
and National Journal correspondent Alex Rogers

**March 1, 2017**

**Moderator:** Alistair Taylor

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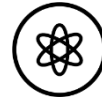
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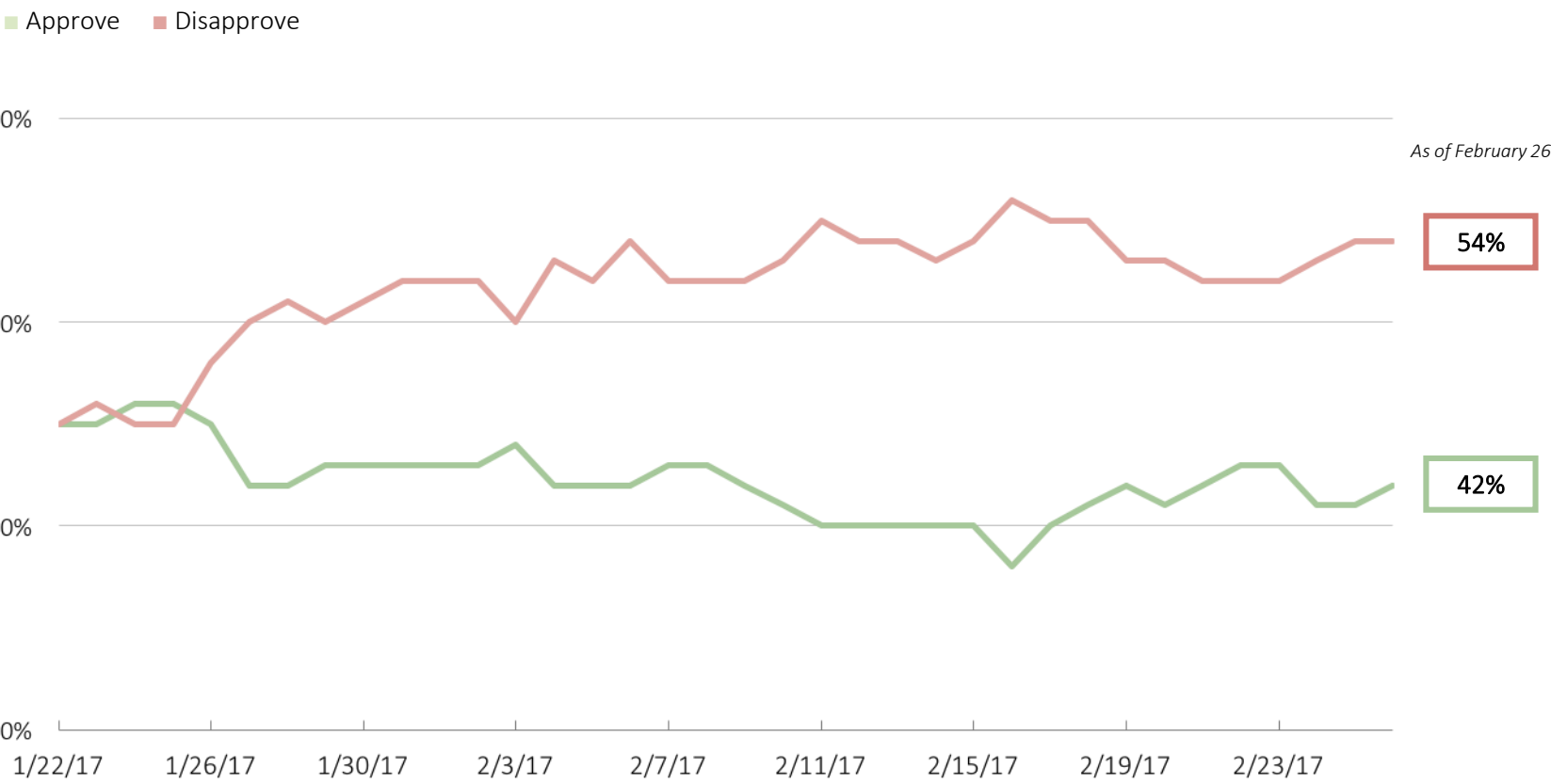


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# Trump’s approval ratings sink during his first month in office

Donald Trump approval ratings since inauguration



Source: Gallup, 2017.

# Trump's Joint Congressional Address will set the tone for his party's policy agenda this year

## What to expect from Trump's Joint Congressional Address



### How the White House is preparing

- 1. Briefing allies:** Trump communications staffers had a conference call with the RNC and NRCC, assuring them there would be fact sheets and talking points coming
- 2. Outreach to regional media:** President Trump and Sean Spicer will have a dinner with regional TV and radio affiliates the night before the address as part of a strategy to get their message in 2018 battleground states
- 3. Live stream:** The WhiteHouse.gov page will redirect to a joint address live stream where people can watch Trump's speech and follow the administration's social media posts

**3 main themes:** Safety, sovereignty and economic opportunity



### Opposition party

- Democrats are planning to bring guests who do not benefit or are impacted negatively by Trump's policies – Muslim refugees, Hispanic immigrants, relatives of victims of gun violence and others
- This will be unusual for Trump, who is accustomed to speaking in front of crowds comprised mostly of supporters
- The Democrats will have two official response speakers
  1. Astrid Silva – a DREAMer and immigration activist who will deliver her speech in Spanish
  2. Steve Beshear – a former governor of Kentucky, a state with a lot of coal miners and Trump supporters where expansion of Medicaid under Obamacare covered hundreds of thousands of citizens

Sources: Mara Liasson, "Here's what to watch for when Trump addresses Congress," NPR, February 27, 2017; Jonathan Swan, "Axios sneak peak," Axios, February 27, 2017.

# Trump's Joint Congressional Address was strikingly more measured than his previous speeches

## Overview of Trump's Joint Congressional Address



### Main idea: Unity

- Trump stuck to the planned themes of unity and strength
- It was significantly more positive than the America-in-crisis Trump presented in his inaugural address
- Writing the speech was a collaborative process involving the different ideological factions within the Trump administration
- Unifying moment: Trump honoring deceased Navy Seal's wife



### Achievement review

- Trump touted his achievements, arguing his election convinced firms like Ford, Sprint, SoftBank and Intel to invest billions of dollars in the US, creating thousands of jobs
- He mentioned stocks have gained \$3 trillion in value since his election
- He stressed that he kept campaign promises by cutting government regulation, clearing the way for the Keystone and Dakota Access pipelines, and withdrawing from the TPP



### America First

- Trump's domestic focus included backing Paul Ryan's repeal and replace line on Obamacare, promising tax relief for the middle class and cutting corporate tax, pushing for a \$1 trillion infrastructure plan and spending less money abroad
- Trump did not spend much time on foreign policy, but he did say he would back NATO as long as its members pay their dues
- He lamented the "trillions of dollars" the U.S. has spent on foreign wars and stressed his focus will be protecting U.S. borders instead of getting entangled abroad

Sources: Stephen Collinson, "Presidential Trump," CNN, March 1, 2017; Jonathan Swan, "Axios sneak peak," Axios, February 27, 2017.

- **Health Care**
- Immigration
- Trade and Foreign Policy
- Other Topics

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# Trump sticks to GOP playbook on health care reform

## Health reform policy priorities mentioned in Trump's speech to Congress



### 1. Keeping popular provisions from the ACA

Trump said that one of his priorities with health care reform is to ensure that individuals with pre-existing conditions will continue to have access to health care. He also committed to a stable transition away from the ACA exchanges



### 2. Conservative reforms

Trump announced that his plan would create new tax credits for the purchase of health insurance. Some reporters speculated whether this was an answer to conservatives who have recently threatened to oppose the House bill due to the inclusion of tax credits. Trump also promised to expand HSAs



### 3. Increased flexibility for state administration of Medicaid

Republican governors of states that expanded Medicaid have expressed concern about their constituents losing coverage. GOP leadership sees flexibility for Medicaid administration as a fix for these concerns



### 4. Bringing down the cost of health care

Trump hinted at implementing tort reform to protect patients and doctors and bring down the cost of insurance. Trump also promised immediate action on drug pricing but provided no details other than a promise to reform the FDA



### 5. Allow individuals to purchase insurance across state lines

Trump promised a national insurance marketplace to bring down cost and increase flexibility for providers. Selling policies across state lines will be unlikely to succeed under current insurance practices

Sources: Dan Diamond, "What Donald Trump said about the ACA last night — Key Seema Verma vote looms — Scott Walker to talk Medicaid with Senate Republicans," POLITICO, March 1, 2017; David Nather, Axios Vitals, March 1, 2017; National Journal Research, March 1, 2017.

# Trump’s first month in office: health reform in disarray

## Major events in health care in the past month

Jan 20

○

**Trump inaugurated and issues executive orders (EO) on health care**

- President Trump signed an EO directing the HHS and other agencies to “waive, defer, grant exemptions from, or delay” any portions of the ACA that create a financial burden for states, individuals or health care providers
- He also signed an EO reinstating the Mexico City Policy

Jan 23, 27

○

**Cassidy-Collins, Rand Paul replacement plans released**

- Cassidy-Collins: allows states to keep Affordable Care Act provisions in place if they wish, and proposes an alternative choice
- Rand Paul: includes tax credits and health savings accounts; eliminates pre-existing conditions provision and essential benefits

Feb 10

○

**Price confirmed as HHS secretary**

- After two hostile hearings, one in front of the Senate HELP Committee and the other in front of the Senate Finance Committee, Price was confirmed by a vote along party lines

Feb 14

○

**Humana pulls out of exchanges**

- Humana had already pulled out of several states; however, the exit of the insurer renewed criticism of the marketplace exchanges

Feb 15

○

**HHS rule proposed to stabilize insurance markets**

- Includes: shortened enrollment period, required documentation to sign up outside of enrollment period, repayment of unpaid premiums to be eligible for coverage again and increased flexibility for insurers to design insurance plans

Feb 16

○

**GOP leadership introduces outline of a replacement plan**

- Outline closely resembles House Speaker Ryan’s “A Better Way” plan, including proposals for tax credits, Medicaid cuts and health savings accounts

↓

**Angry town halls**

- Multiple Republican congressmen have faced increasingly irate crowds at town halls this month. The crowds have mainly questioned whether the GOP’s replacement plans will cover their pre-existing conditions
- The White House has dismissed the “base” of the crowds as “professional protesters”

Sources: Benji Sarlin, “It’s Been One Month. How’s the Trump Agenda Going?” NBC News, February 21, 2017; Timothy Jost, “Unpacking The Trump Administration’s Market Stabilization Proposed Rule,” Health Affairs, February 16, 2017; Aiden Quigley, “White House blames ‘professional protesters’ for rowdy GOP town halls,” February 23, 2017; National Journal Research, 2017.



- Health Care
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# Trump's address had a heavy focus on immigration reform and border control

## What Trump's address means for immigration reform



### "Rule of law at the borders"

Trump mentioned the border wall, but did not go into detail about its financing. He also did not elaborate on how Congress will contribute to border security; instead, he will likely rely on existing laws that empower border security officials to stem the flow of illegal immigrants.



### VOICE office

Trump highlighted the new "Office for Victims of Crimes Committed by Removable Aliens." He acknowledged his invited guests who were family members of victims of crimes committed by illegal aliens.



### Bipartisan immigration bill

Trump made clear he is eager to work on a bill that would stop short of granting a path to citizenship for undocumented immigrants, but would allow undocumented immigrants who aren't serious or violent criminals to work and pay taxes in the U.S. without fear of deportation.



### A merit-based system

Trump stood by his campaign promises on immigration including extreme vetting and reducing the number of immigrants the U.S. accepts. He backed the use of a merit-based system that would make it harder for low-skilled workers to enter the country. He cited systems in Canada and Australia as examples of successful merit-based immigration policies.

Sources: Jake Tapper, Wolf Blitzer, "Trump envisions bill allowing many immigrants to stay in the US," CNN, March 1, 2017; Jonathan Swan, "What Trump means when he offers an immigration deal," Axios, March 1, 2017.

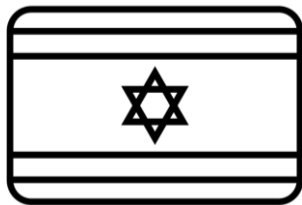
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# President Trump’s foreign policy goals

## Foreign policy topics touched on by Trump



**Reaffirm our “unbreakable”  
alliance with Israel**



**New sanctions on entities and  
individuals who support Iran’s  
ballistic missile program**



**Improved vetting  
procedures**



**Affirmation of NATO**



**Directive to “demolish and destroy” ISIS**

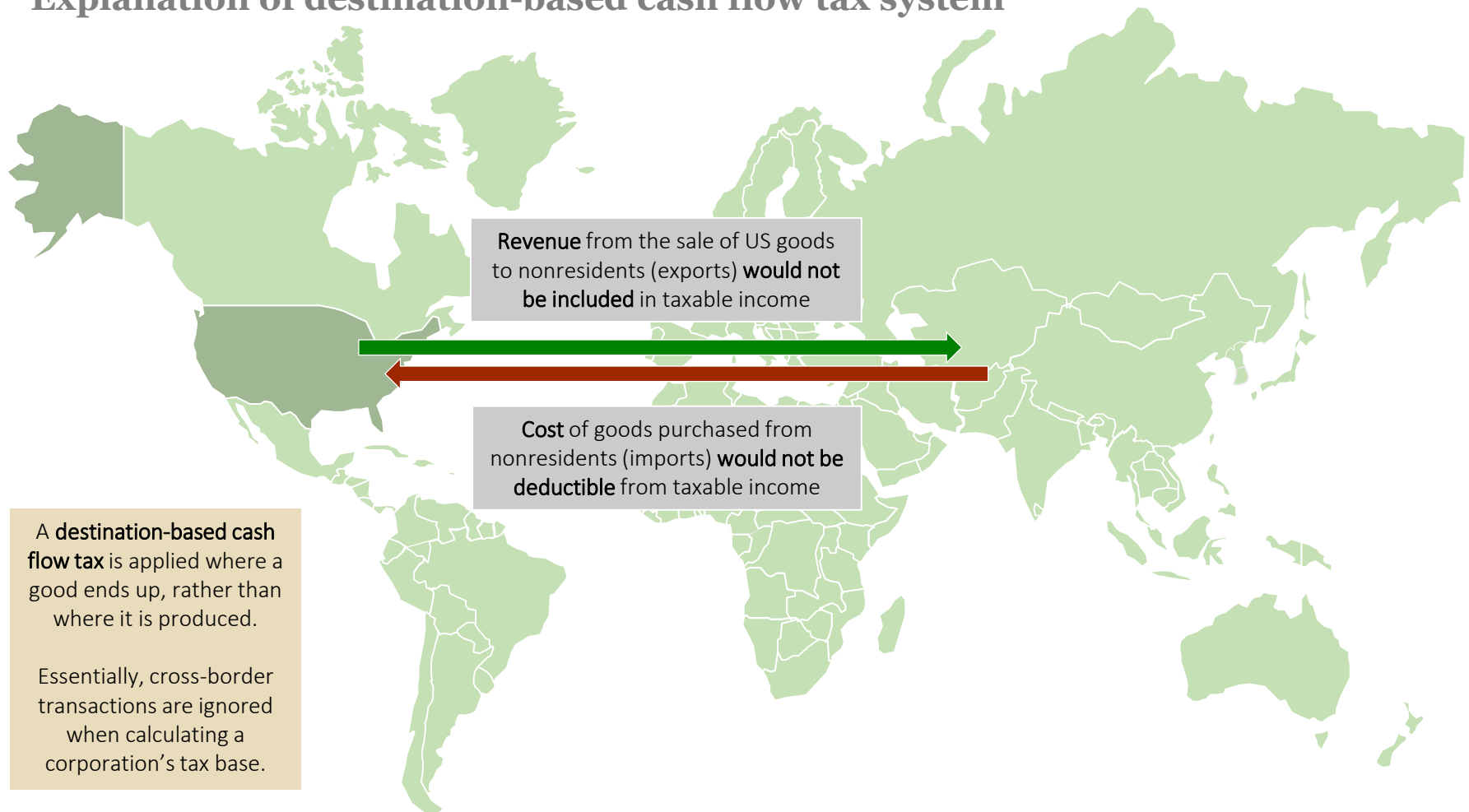


**“Fair Trade”**

*Sources: Terri Rupar, “Trump’s full remarks as prepared for delivery,” Washington Post, February 28, 2017.*

# A destination-based cash flow tax uses a border adjustment to exempt exports from domestic taxation

## Explanation of destination-based cash flow tax system

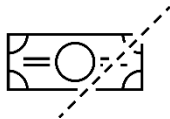


Source: Kyle Pomerleau and Stephen J. Entin, "The House GOP's destination-based cash flow tax, explained," Tax Foundation, June 30, 2016.

# Tax, economy and labor: What will Trump do?

## Tax, labor and economic policy in Trump's first 100 days

Will it pass?



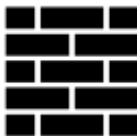
### Tax reform

- Trump has proposed across-the-board tax cuts for individuals as well as a significant cut in the corporate tax rate
- Despite Trump's recent complaints about the House GOP's border-adjustment tax policy proposal, the administration is expected to negotiate with lawmakers to pass comprehensive tax reform in the Republican-controlled Congress



### Trade agreements

- TPP – Trump withdrew from the TPP with an executive order issued on January 23<sup>rd</sup>
- TTIP – Trump has also criticized TTIP, which is still in negotiations, adding uncertainty to the fate of the already-unpopular EU trade deal



### Infrastructure

- **Border wall** – Trump will likely push Congress to approve spending for a border wall. Republicans may tie funding for the wall to broader government spending measures to undercut Democratic opposition

### Overview

- Trump's advisors claim that he can achieve his economic goals in a revenue-neutral way
- However, some economists have estimated that Trump's proposed infrastructure spending stimulus combined with tax cuts could increase the national debt by \$6 trillion or more
- Some also believe that Trump's attitude toward trade deals along with his rhetoric about tariffs and currency manipulation could spark a trade war

Source: Adam Behsudi and Nancy Cook, "Trump will quit TPP in first days," Politico, November 10, 2016; Tami Luhby, "Yes, President Trump really could kill NAFTA – but it wouldn't be pretty," CNN, November 15, 2016; Jay Yarow and Jeff Cox, "Donald Trump can be very good for the US economy," CNBC, November 9, 2016.

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# Several topics that Trump has identified as important were largely glossed over

## Topics that Trump discussed in passing



### Infrastructure

- Trump provided no new details on his trillion-dollar infrastructure program and simply leaned on his “Buy American and Hire American” slogan.



### Education

- Trump called for an education bill that funds school choice without providing new details. He leaned on his guest Denisha Merriweather as a success story to bolster support for school choice.



### Budget

- Used the budget to talk about defense matters.
- Did not provide any new information on his goals of how the budget can be used to influence other areas of policy.



### “Trumpism”

- Very few “classic Trump” moments: no mention of Russia or Mexico by name, only mentioned China once
- Utilized guests and recent events to show his more inclusive side, rather than identifying and criticizing a common enemy

Sources: Terri Rugar, “Trump’s full remarks as prepared for delivery,” *Washington Post*, February 28, 2017.



# Private financing is the backbone of Trump's \$1 trillion infrastructure plan

## Trump's infrastructure first plan

### P3 Revenue neutral plan based on public-private partnerships:

Harness market forces to attract new private infrastructure investments through a deficit-neutral system of tax credits that will offset costs with revenue from new wages to construction workers and contractors



### Promote private sector energy infrastructure projects:

Utilize private pipeline and coal export projects to connect American coal and shale energy production with markets and consumers



### Reform the FAA and TSA:

Work with Congress to modernize airports and air traffic control systems, shorten wait times, and ensure that American travelers are safe



### Roll back regulations:

Use regulatory reform to fast-track projects at lower cost by streamlining permitting and approvals



### Prioritize clean water:

Triple funding for state revolving loan fund programs to help states and local governments update drinking and wastewater infrastructure

### Analysis

- Trump's \$1 trillion dollar plan would require \$167 billion in equity investment from the private sector
- In exchange, investors would get a tax credit equal to 82% of their equity amount, which would be repaid to the government from incremental tax revenues from project construction
- This form of financing lends itself to increased investment in mature, revenue-based infrastructure assets, such as toll roads, which offers a chance of high returns with relatively low risk
- It is unlikely a plan of this scope will pass in the first 100 days

Sources: Wilbur Ross and Peter Navarro, "Trump versus Clinton on infrastructure," Trump Pence Campaign, October 27, 2016; Kevin DeGood, "How Donald Trump's infrastructure plan fails America," CAP, December 1, 2016; Robert Freedman, "Early views on the US energy and infrastructure sectors under a Trump administration," Shearman and Sterling LLP, December 5, 2016; Jeremy W. Peters and Maggie Haberman, "Trump picks Elaine Chao for transportation secretary," NY Times, November 29, 2016; Noun Project.

# Trump and DeVos advocate for school choice

## What the Trump presidency could mean for education



### School choice and accountability

Trump has advocated for a \$20 billion school voucher program. He highlighted the School Choice and Education Opportunities Act as one of his priorities in his first 100 days. The bill “redirects education dollars to give parents the right to send their kid to the public, private, charter, magnet, religious or home school of their choice.”



### Reverse trans bathroom rights executive order

The new administration has reversed the Obama administration’s executive order requiring that schools allow students to use the bathroom that matches their gender identity.



### Eliminate Common Core standards

Trump has said in campaign ads and on twitter that Common Core is a disaster and that he would get rid of it. However, Common Core standards were adopted at the state level by governors and state school superintendents, so Trump may not be able to prevent states from using the program. However, through the Race to the Top program, Obama used federal dollars to encourage such educational standards, and this is likely to stop.

### Betsy DeVos’s education stances

*DeVos is Trump’s nominee for Education secretary*

- While she is a longtime activist in support of charter schools, DeVos said during her confirmation hearing that the issue of school choice should be left to the states; DeVos said she would not try to force states to embrace school choice
- DeVos indicated that she would reduce federal oversight of education and allow states to adopt their own education policies, even going as far as to suggest that federal laws ensuring the rights of disabled students should be left to the states
- During her hearings, DeVos did not substantively discuss Common Core standards or racial inequality and school segregation
- DeVos also refused to say that guns should not be allowed in school

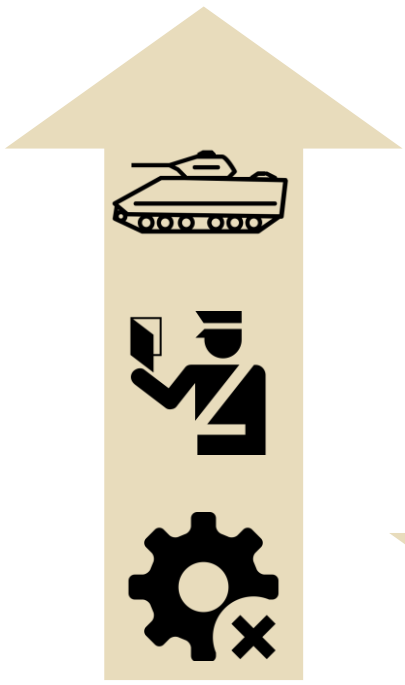
Source: National Journal research; Emily Deruy, “What Betsy DeVos did (and didn’t) reveal about her education priorities, The Atlantic, January 17, 2017; Cory Turner, “Can a president get rid of Common Core?” NPR, November 10, 2016.

# Trump hasn't released the full details of his budget; however, it will likely go through many changes on the Hill

## Trump's basic budget priorities

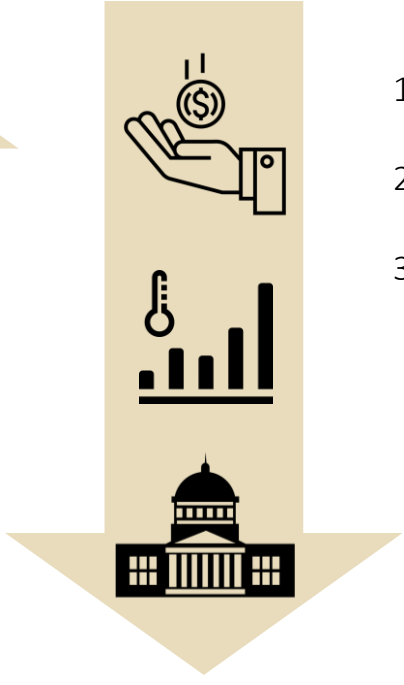
### Spending increases

- 1. Defense
- 2. Law enforcement
- 3. Infrastructure



### Spending decreases

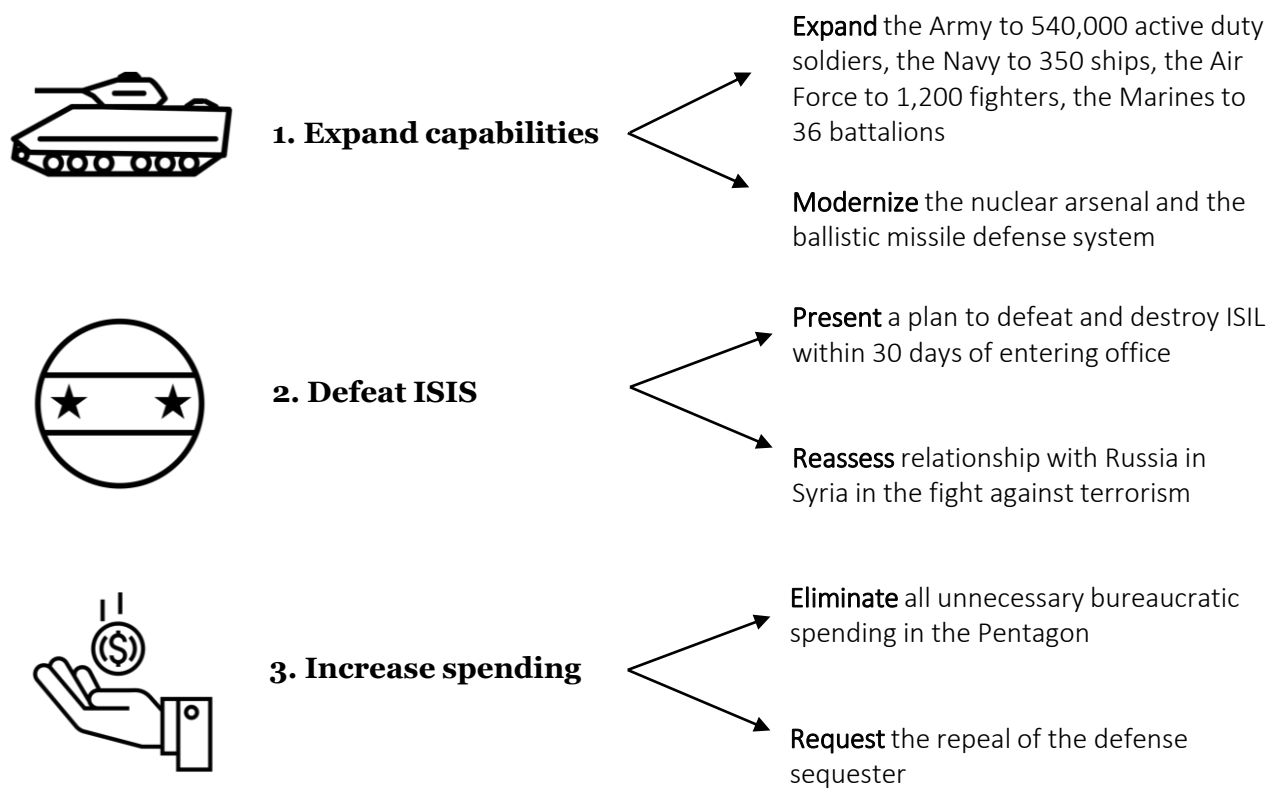
- 1. Foreign aid
- 2. EPA
- 3. Most non-defense agencies



Sources: Z. Byron Wold and Will Mullery, "Here's what we know about Trump's budget math," CNN, February 28, 2017.

# Trump’s national security plan, “Peace Through Strength,” requires broad spending increases

## Trump’s national security priorities for the first 100 days



**Feasibility:**

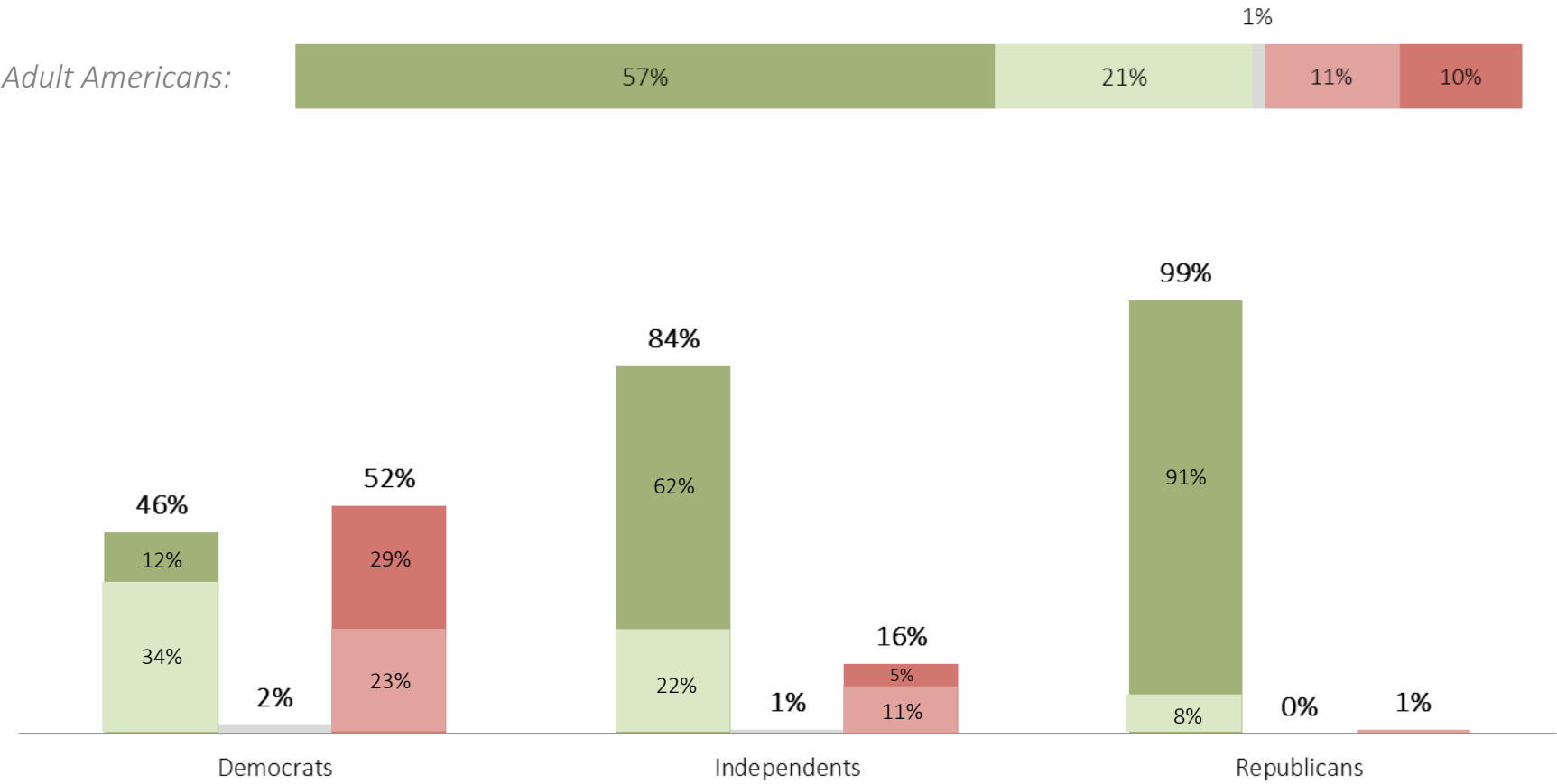
- The Budget Control Act of 2011 requires 60 votes in the Senate to repeal the spending cap on the Pentagon
- While the 2017 National Defense Authorization Act (NDAA) mandates military spending increases, Congress still has to pass an appropriations bill mandating how the Pentagon will spend the funds
- In terms of eliminating waste, the Pentagon has never been effectively audited and solutions to eliminating errors that created trillions of dollars in excess spending have yet to be put forward
- Further, Trump’s desire to alleviate tensions with Russia will likely face strong opposition in Congress

Sources: “Peace through strength,” Donald Trump’s speech on national security,” September 7, 2016; Rob Garver, “Trump could make good on his defense spending promise in his first 100 days,” Business Insider, December 9, 2016.

# Most Americans had a positive reaction to President Trump’s address

What was your overall reaction to President Trump’s speech tonight?

Very Positive   Somewhat Positive   Mixed   Somewhat Negative   Very Negative



Source: CNN/ORC Poll, National sample of 509 American adults, Margin of error +/- 8.5%, Phone interviews conducted February 28, 2017.

# Question and Answer

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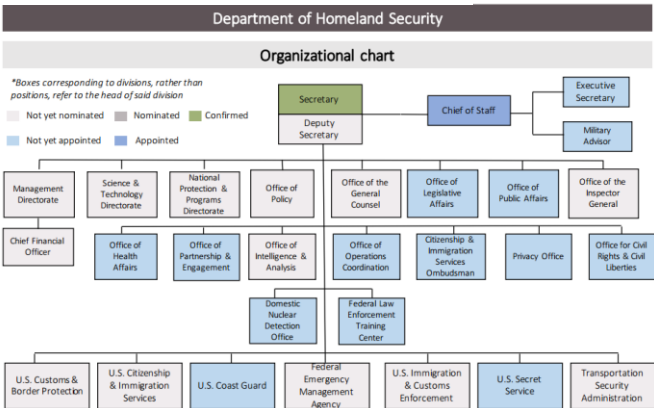
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**Trump administration toolbox**  
A guide to the first 100 days

Roadmap

Issues:

- Cybersecurity
- Criminal justice
- Defense
- Energy and the environment
- Education
- Finance
- Health care
- Infrastructure
- Tax, labor and the economy
- Technology

Cabinet:

- Nomination tracker
- Policy positions and bios

SCOTUS:

- Likely SCOTUS nominees

Executive orders:

- Trump executive order tracker