

# Trump administration toolbox

A guide to the policies, personalities and priorities of the White House

**October 17, 2017**

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**Director**

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# Trump tweets up a storm about Sen. Corker and NBC News, deadly wildfires rage in California, US withdraws from UNESCO

Week in Review: Oct 9, 2017 – Oct 13, 2017

Oct  
9

- **On Monday**, the observance of Columbus Day sparked debate about the nation's continued observance of Christopher Columbus's birthday, causing some cities and towns to instead celebrate "Indigenous Peoples Day."

Oct  
10

- **On Tuesday**, President Trump mocked Senator Bob Corker's height in a tweet, the most recent jab in an exchange of insults between the two.
- Trump told reporters he still has confidence in Secretary of State Rex Tillerson, despite offering to compare IQ scores with Tillerson in a Forbes interview.
- In a statement, Hillary Clinton said she was "shocked and appalled" by the sexual-harassment allegations against film executive Harvey Weinstein, but did not mention whether she will donate contributions she had received from Weinstein.

Oct  
11

- **On Wednesday**, the Boy Scouts announced that starting next year, girls will be allowed to become Cub Scouts and earn the rank of Eagle Scout.
- NBC News reported that in a July 20 meeting, President Trump said he wanted to increase the country's nuclear arsenal tenfold. Trump denied the report, calling it "pure fiction."
- Trump delivered a speech in Harrisburg, Pennsylvania on his tax-reform plan.

Oct  
12

- **On Thursday**, President Trump signed an executive order expanding the use of certain types of health plans, which could undermine Obamacare.
- The State Department announced that the U.S. will withdraw from UNESCO, the UN cultural organization, citing "anti-Israel bias."
- An American woman and her family were freed, after being held in captivity for five years by a Taliban-connected group in Pakistan.
- The death toll from the wildfires raging in Northern California rose to 26.

Oct  
13

- **On Friday**, the Trump administration released a fact sheet outlining a new strategy on Iran which highlights other actions that the administration says are destabilizing.
- Sen. Susan Collins (R-ME) announced she will not run for governor of Maine next year.

Sources: National Journal Research; The Atlantic Politics and Policy Newsletter, 2017; TheHill.com, 2017.

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Budget

Cybersecurity

Criminal justice

Defense

Energy and the environment

Education

Finance

Health care

Immigration

Infrastructure

International relations

Tax, labor and the economy

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## Week in Review Archive

# Trump's cabinet is the first in a generation not to include a politician from the opposing party

To see where members stand on policy, please refer to the [cabinet members deck](#)



**Secretary of State**  
*Rex Tillerson*



**Secretary of the Treasury**  
*Steve Mnuchin*



**Secretary of Defense**  
*James Mattis*



**Attorney General**  
*Jeff Sessions*



**Secretary of the Interior**  
*Ryan K. Zinke*



**Secretary of Agriculture**  
*Sonny Perdue*



**Secretary of Commerce**  
*Wilbur Ross*



**Secretary of Labor**  
*Alexander Acosta*



**Secretary of Health & Human Services**  
*Tom Price\*\**



**Secretary of Housing & Urban Development**  
*Ben Carson*



**Secretary of Transportation**  
*Elaine Chao*



**Secretary of Energy**  
*Rick Perry*



**Secretary of Education**  
*Betsy DeVos*



**Secretary of Veterans Affairs**  
*David Shulkin*



**Secretary of Homeland Security**  
*John Kelly\**

\*John Kelly is now White House Chief of Staff; the position of DHS Secretary is temporarily vacant.

\*\*Tom Price has resigned; the position of HHS Secretary is temporarily vacant.

Source: National Journal research, 2017; Chuck Todd, Mark Murray and Carrie Dann, "Trump's cabinet, by the numbers," NBCNews, January 19, 2017.

# Who is Trump considering for his next DHS secretary?

## Potential nominees for DHS secretary



**Rep. Michael McCaul**

- McCaul is currently a GOP congressman for Texas's 10<sup>th</sup> district
- McCaul was considered during the initial process of selecting Trump's DHS secretary in November
- He faces opposition from groups advocating for strict enforcement of immigration laws



**Elaine Duke**

- Elaine Duke was confirmed as deputy secretary for DHS and became acting secretary after John Kelly took over as Trump's chief of staff
- She has spent eight years at DHS; her current role makes her one of the highest ranked women in the Cabinet



**Jeff Sessions**

- Many believe that Trump's public criticism of Sessions signals that he wants to remove Sessions from his role at the DOJ
- The Federal Vacancies Act could allow Trump move Sessions to the DHS without a Senate vote
- The White House has denied any intent to move Cabinet members



**Thomas Homan**

- Homan is currently acting director of Immigration and Customs Enforcement
- Trump has praised Homan, saying he's "done an incredible job" in his current role
- Homan has served as the face of Trump's harshest immigration policies, which could prompt opposition from Senate Democrats

Sources: Tal Kopan, Mary Kay Mallonee and Elizabeth Landers, "9 people who might be the next DHS secretary," CNN, August 2, 2017; Ted Hesson and Andrew Restuccia, "Who will replace Kelly at Homeland Security?" Politico, July 28, 2017; CBS News, "Who might be the next head of Homeland Security?" July 31, 2017.

# Kirstjen Nielsen nominated for the position of secretary of DHS

## Kirstjen Nielsen, nominee for Secretary of Homeland Security



**Previous position:** Deputy White House Chief of Staff  
**Position:** Nominee for Secretary of Homeland Security

### Biography

Kirstjen Nielsen was nominated for the position of secretary of Homeland Security on October 11, 2017. Previously, she served as chief of staff to Secretary John Kelly at DHS and as deputy chief of staff in the White House. Her extensive work in government as well as the private sector has focused on homeland and national security issues such as infrastructure protection, cybersecurity, information sharing, preparedness planning, and response and recovery management. Nielsen previously served on the Homeland Security Council in the George W. Bush administration as special assistant to the president and senior director for prevention, preparedness and response. Following her time at the White House, Nielsen's roles have included founder and president of Sunesis Consulting, civilian expert for NATO and senior fellow at the GW Center for Cyber & Homeland Security.

### Date of birth

N/A

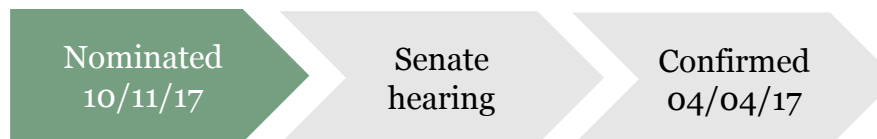
### Education

Georgetown U., B.S.  
U. of Virginia, J.D.

### Occupation

Civil servant, lawyer

### Confirmation status



Sources: GW Center for Cyber and Homeland Security, 2017; "President Donald J. Trump announces intent to nominate Kirstjen Nielsen as Secretary of Homeland Security, White House Office of the Press Secretary, October 11, 2017; Eric Williamson, "Kirstjen Nielsen '99 tapped for top post at Homeland Security," UVA School of Law, October 11, 2017.

# Elaine Duke assumes position of acting secretary of DHS while Trump searches for a successor

Elaine C. Duke, DHS acting secretary



## Date of birth

1958 (age 59)

## Education

New Hampshire Col, B.S.  
Chaminade U. of  
Honolulu, M.B.A.

## Occupation

Civil servant, lawyer

**Previous position:** Deputy Secretary of Homeland Security

**Position:** Acting Secretary of Homeland Security

## Biography

Prior to serving as the Deputy Secretary of the Department of Homeland Security (DHS), Duke was the principal of Elaine Duke & Associates, LLC, where she provided acquisition and consulting services to businesses. Previously, she served in the federal government, including as Under Secretary of Management for DHS from 2008-2010, Chief Procurement Officer for the DHS, and Deputy Assistant for Acquisition at the Transportation Security Administration. She has also held positions with the Department of Defense. Duke has received the Presidential Meritorious Rank Award, among other medals, and served as a member of the Homeland Security Advisory Council.

After General Kelly left the Department of Homeland Security for the White House, Duke assumed the role of acting secretary of the DHS.

## Confirmation status





# Don Wright assumes position of acting secretary of HHS while Trump searches for a successor

Don Wright, HHS acting secretary



## Date of birth

Unknown

## Education

Texas Tech, B.A.  
U of Texas, M.D.

## Occupation

Assistant secretary of  
Health and Human  
Services

**Previous position:** Assistant Secretary of Health and Human Services  
**Position:** Acting Secretary of Health and Human Services

## Biography

Don Wright earned an undergraduate degree in zoology and animal biology at the Texas Tech University, a medical degree in family medicine at The University of Texas Medical Branch at Galveston and a master's degree in public health at the Medical College of Wisconsin. He completed his family medicine residency training at Baylor College of Medicine. Wright worked for 17 years as a clinician in Texas in the areas of family medicine and occupational health. He is board certified in family and preventative medicine. He first worked in the federal government under President George W. Bush and has been at HHS for 10 years. Prior to becoming assistant secretary, Wright worked as the deputy assistant secretary for health and director of the Office of Disease Prevention and Health Promotion.

After Tom Price left the Department of Health and Human Services, Wright assumed the role of acting secretary of the HHS.

## Confirmation status

Appointed  
09/29/17

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# Trump's cabinet confirmation tracker (1)

James Mattis was the first confirmed cabinet member, and Robert Lighthizer was the last

Nominee	Position	Senate committee holding hearing	Committee approved?	Confirmed by full Senate?	Date confirmed
James Mattis	Sec of Defense	Armed Services	✓	✓98 – 1	Jan. 20
Michael Pompeo	Director of the CIA	Intelligence	✓	✓66 – 32	Jan. 23
Elaine Chao	Sec. of Transportation	Commerce, Science & Transportation	✓	✓93 – 6	Jan. 31
Nikki Haley	Ambassador to the UN	Foreign Relations	✓	✓96 – 4	Jan. 24
Rex Tillerson	Sec. of State	Foreign Relations	✓	✓56 – 43	Feb. 1
Betsy DeVos	Sec. of Education	Health, Education, Labor & Pensions	✓	✓51 – 50	Feb. 7
Jeff Sessions	Attorney General	Judiciary	✓	✓52 – 47	Feb. 8
Tom Price* <i>*Resigned</i>	Sec. of HHS	Health, Education, Labor & Pensions	✓	✓52 – 47	Feb. 10, <i>Resigned Sept. 29</i>
Steven Mnuchin	Sec. of Treasury	Finance	✓	✓53 – 47	Feb. 13
David Shulkin	Sec. of Veterans' Affairs	Veterans' Affairs	✓	✓100 – 0	Feb. 13
Linda McMahon	Small Business Admin.	Small Business & Entrepreneurship	✓	✓81 – 19	Feb. 14

Sources: National Journal research, 2017; Washington Post confirmation tracker, 2017.

## Trump's cabinet confirmation tracker (2)

75% of Trump's cabinet are white men, the highest percentage since the Reagan administration

Nominee	Position	Senate committee holding hearing	Committee approved?	Confirmed by full Senate?	Date confirmed
Scott Pruitt	EPA Administrator	Energy & Natural Resources	✓	✓52 – 46	Feb. 17
Mick Mulvaney	Director of OMB	Budget	✓	✓51 – 49	Feb. 16
Wilbur Ross	Sec. of Commerce	Commerce, Science & Transportation	✓	✓72 – 27	Feb. 27
Ryan Zinke	Sec. of Interior	Energy & Natural Resources	✓	✓68 – 31	Mar. 1
Ben Carson	Sec. of HUD	Banking, Housing & Urban Affairs	✓	✓58 – 41	Mar. 2
Rick Perry	Sec. of Energy	Energy & Natural Resources	✓	✓62 – 37	Mar. 2
Dan Coats	Dir. of National Intelligence	Intelligence	✓	✓85 – 12	Mar. 15
Sonny Perdue	Sec. of Agriculture	Agriculture, Nutrition & Forestry	✓	✓87 – 11	Apr. 24
Alexander Acosta	Sec. of Labor	Health, Education, Labor & Pensions	✓	✓60 – 38	Apr. 27
Robert Lighthizer	Trade representative	Commerce, Science & Transportation	✓	✓82 – 14	May 11
<b>John Kelly*</b> <i>*Transitioned to Chief of Staff; position is vacant</i>	Sec. of Homeland Security	Homeland Security & Gov. Affairs	✓	✓88 – 11	Confirmed, but resigned Jul. 31

Sources: National Journal research, 2017; Washington Post confirmation tracker, 2017.

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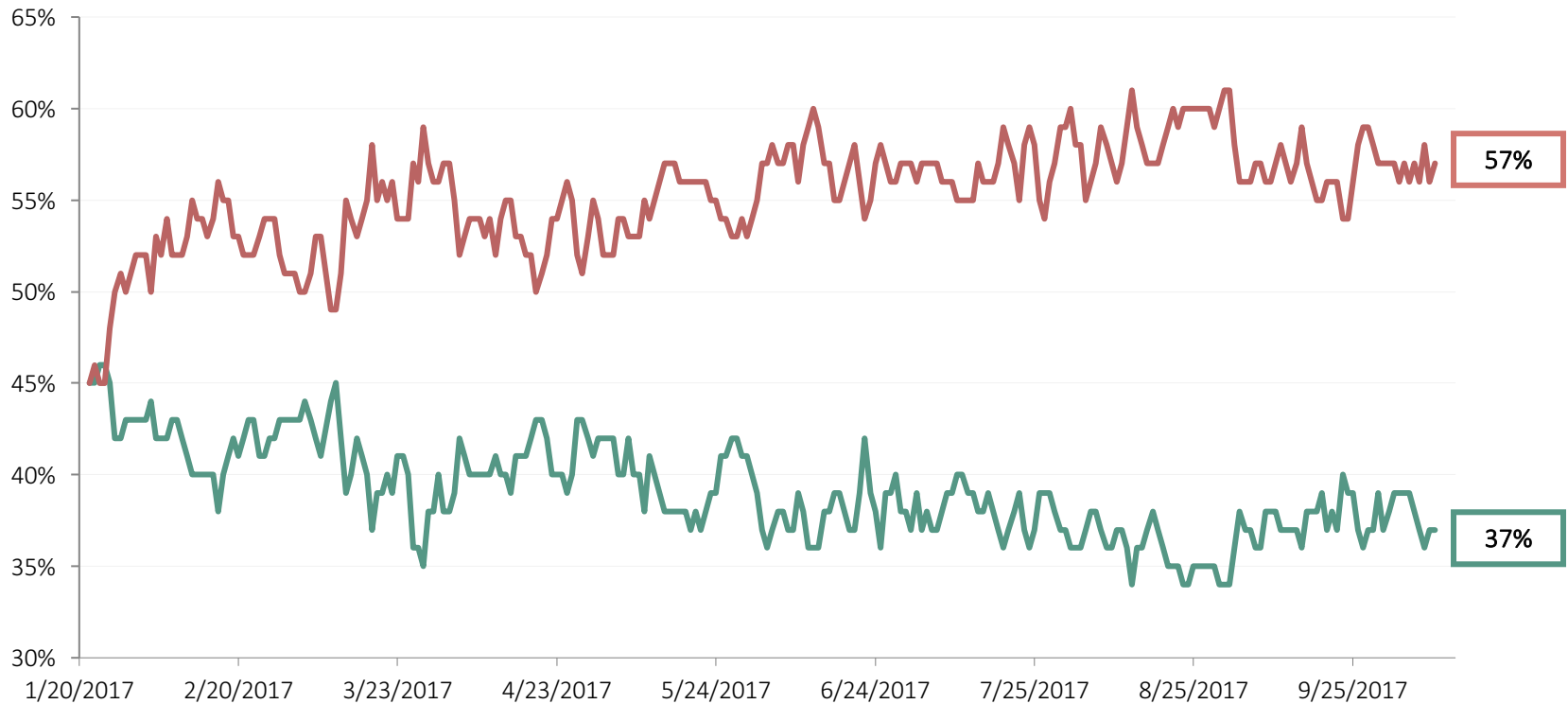
# Trump's disapproval rating has hovered around 60%

## Donald Trump approval ratings since inauguration

GALLUP

■ Approve ■ Disapprove

Average  
Oct 13



Source: Gallup, 2017.

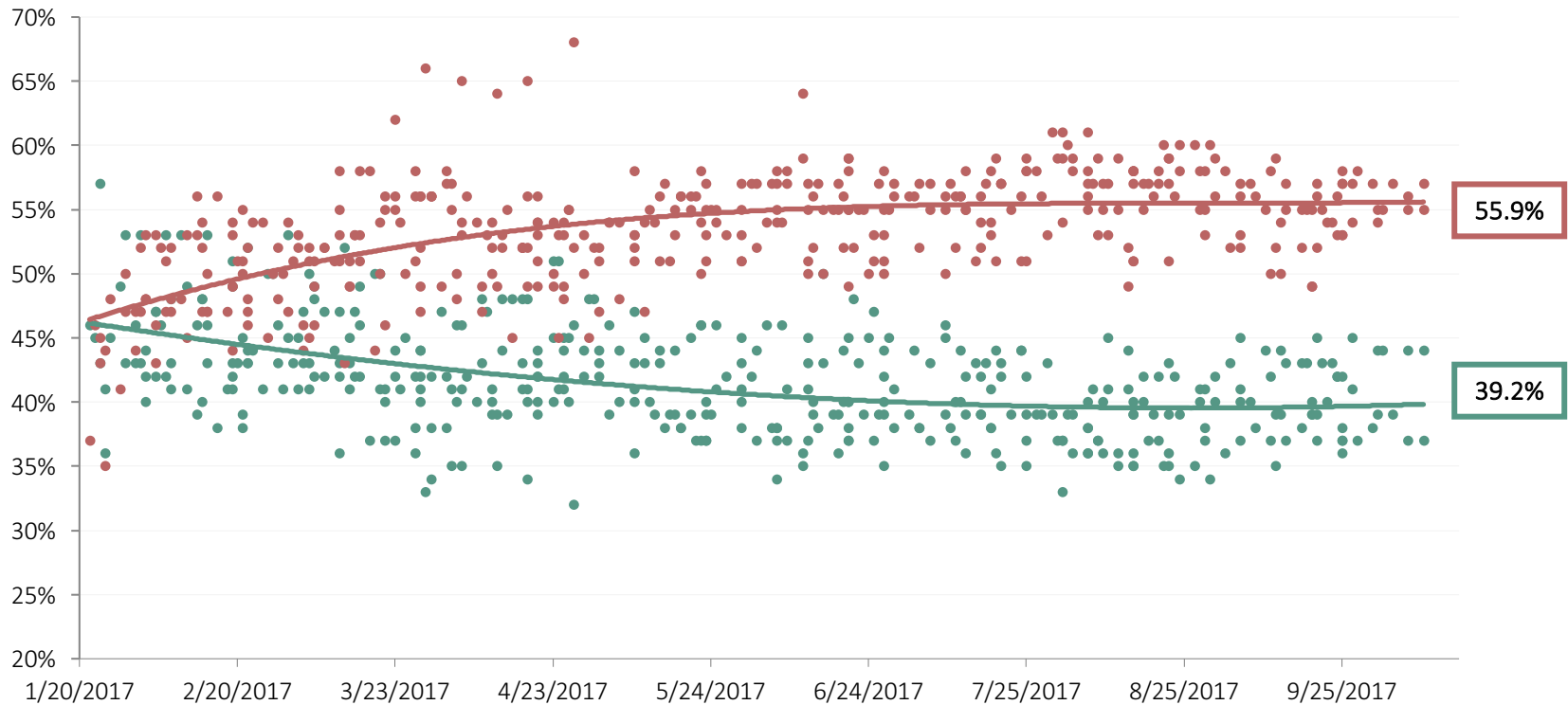
# Trump's approval rating has stalled around 40%

## Donald Trump approval ratings since inauguration

HUFFPOST POLLSTER

■ Approve ■ Disapprove

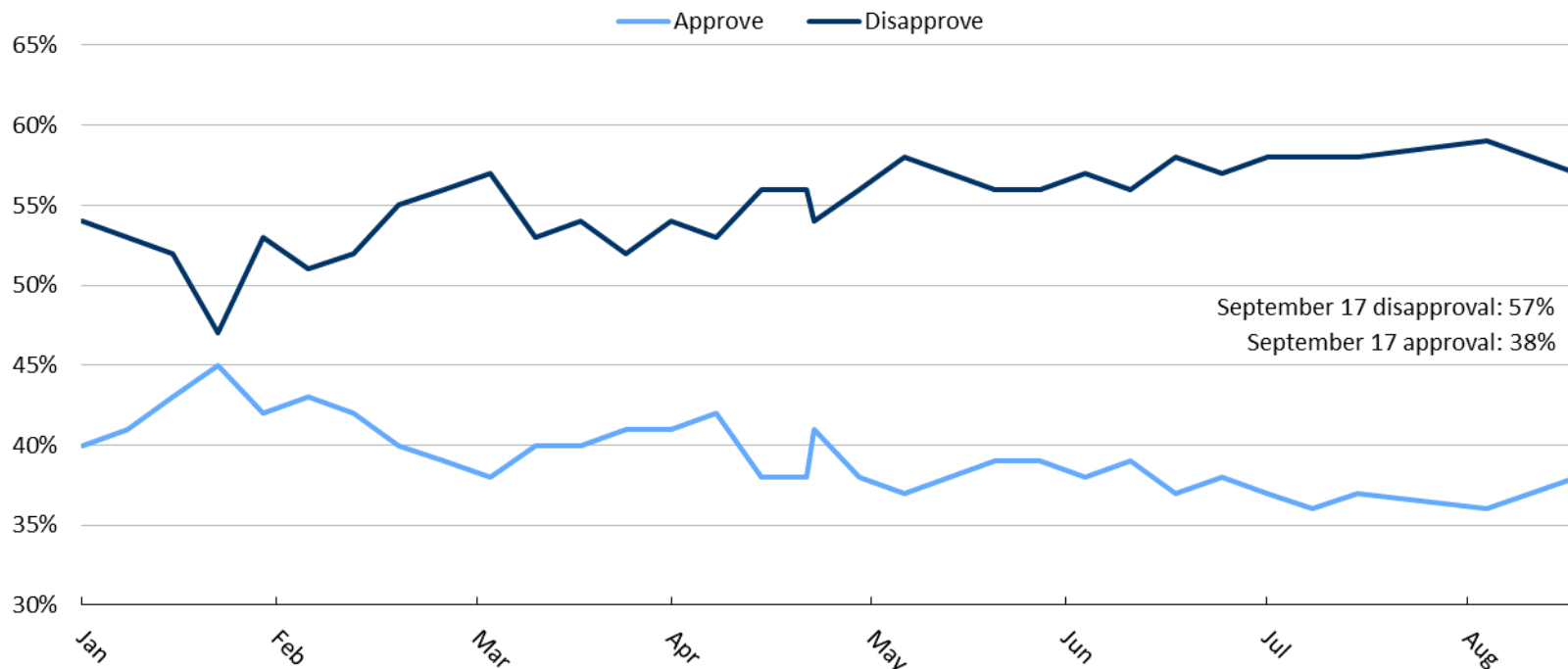
Average  
Oct 13



Source: HuffPost Pollster, "Poll Chart: Donald Trump Approval Rating," 2017.

# President Trump's low approval numbers have been stuck under 40% since late April

Gallup's polling on President Trump's approval



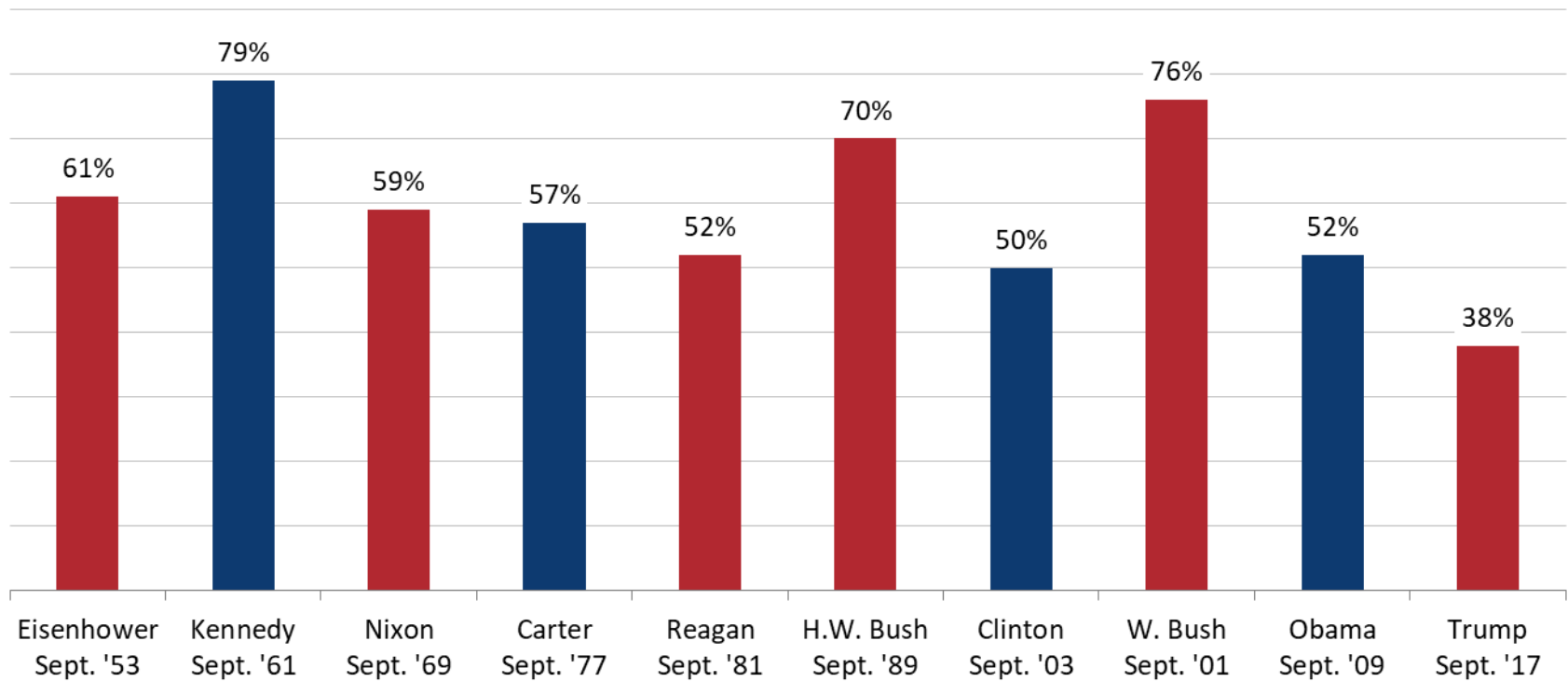
Source: Gallup, September 13, 2017.



# Pres. Trump's approval numbers are lower than any other modern presidents' at this point in their respective terms

## Gallup comparative presidential approval ratings

IN SEPTEMBER OF EACH PRESIDENT'S FIRST TERM



Source: Gallup, September 13, 2017.

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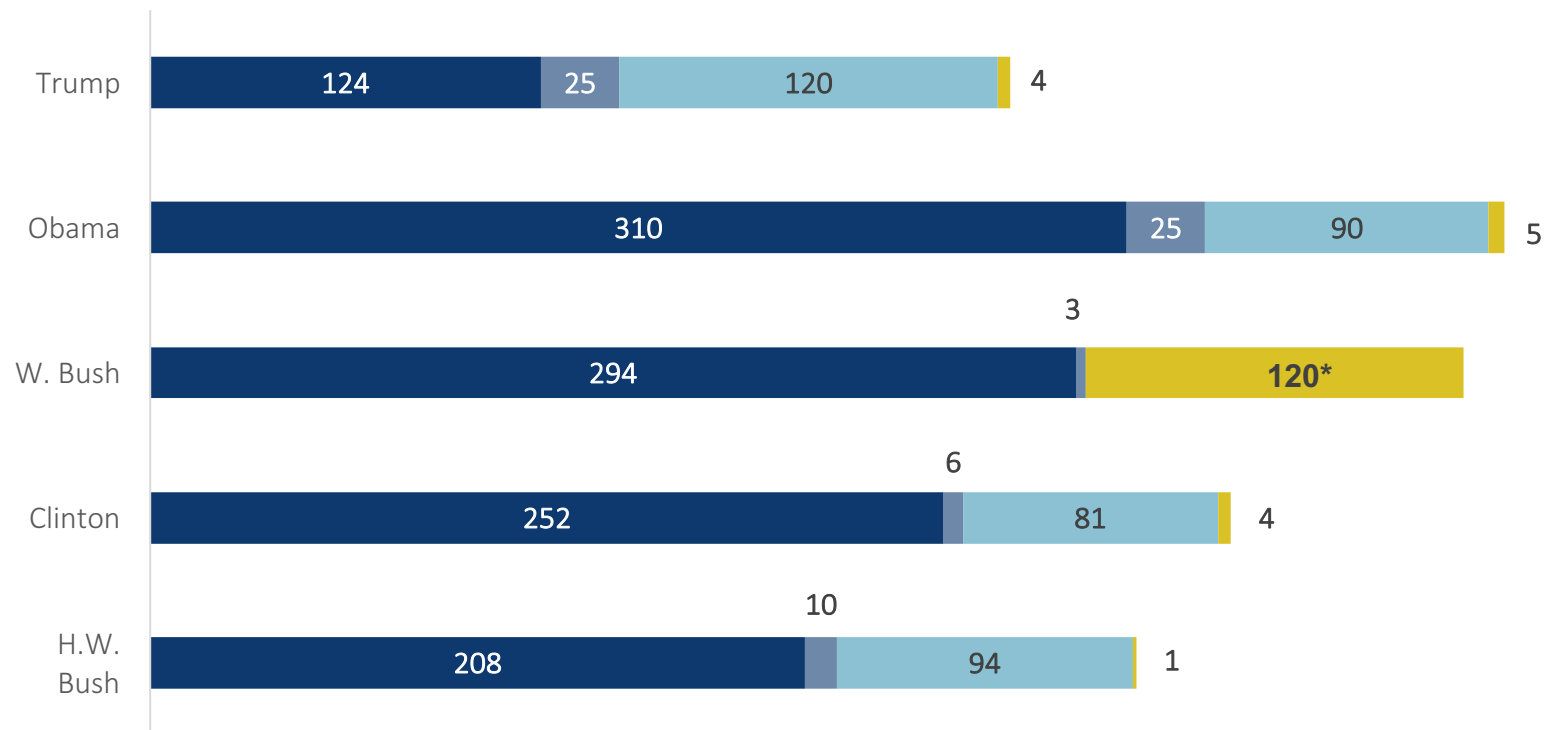
## Week in Review Archive

# The Trump administration lags behind its predecessors in filling key positions

## Number of administration officials nominated and confirmed

Up to the Senate's first day back from August recess, excluding judicial and non-civilian nominations

■ Confirmed ■ Nominated (on executive calendar) ■ Nominated (in committee) ■ Failed



\*Before the 2001 autumn recess, the Senate returned all of President Bush's nominations

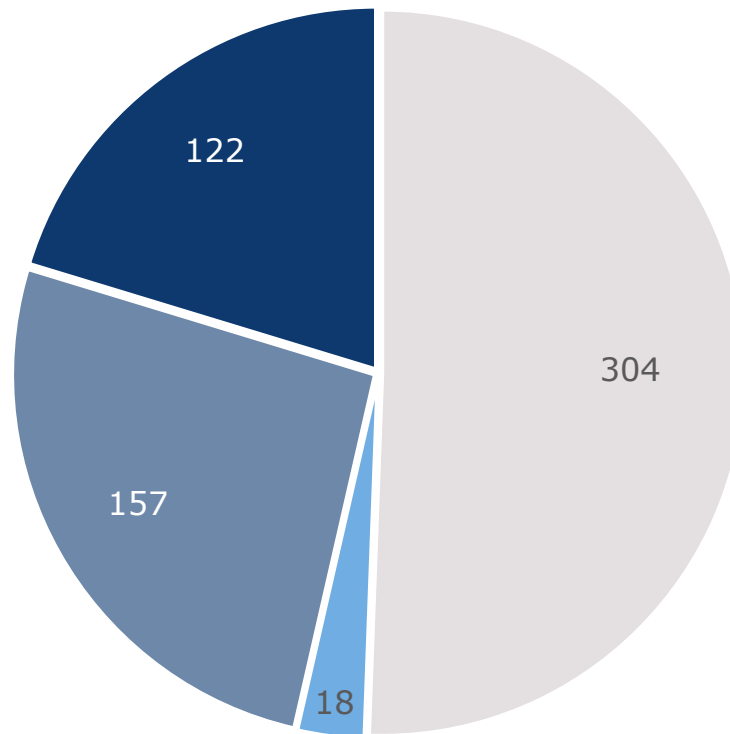
Sources: Washington Post/Partnership for Public Service, 2017; Senate.Gov

# Of 601 Trump sub-cabinet nominations requiring Senate approval, 122 have been confirmed

## Status of key sub-cabinet nominations

As of Sept. 22, 2017

■ No nominee   ■ Awaiting nomination   ■ Awaiting confirmation   ■ Confirmed



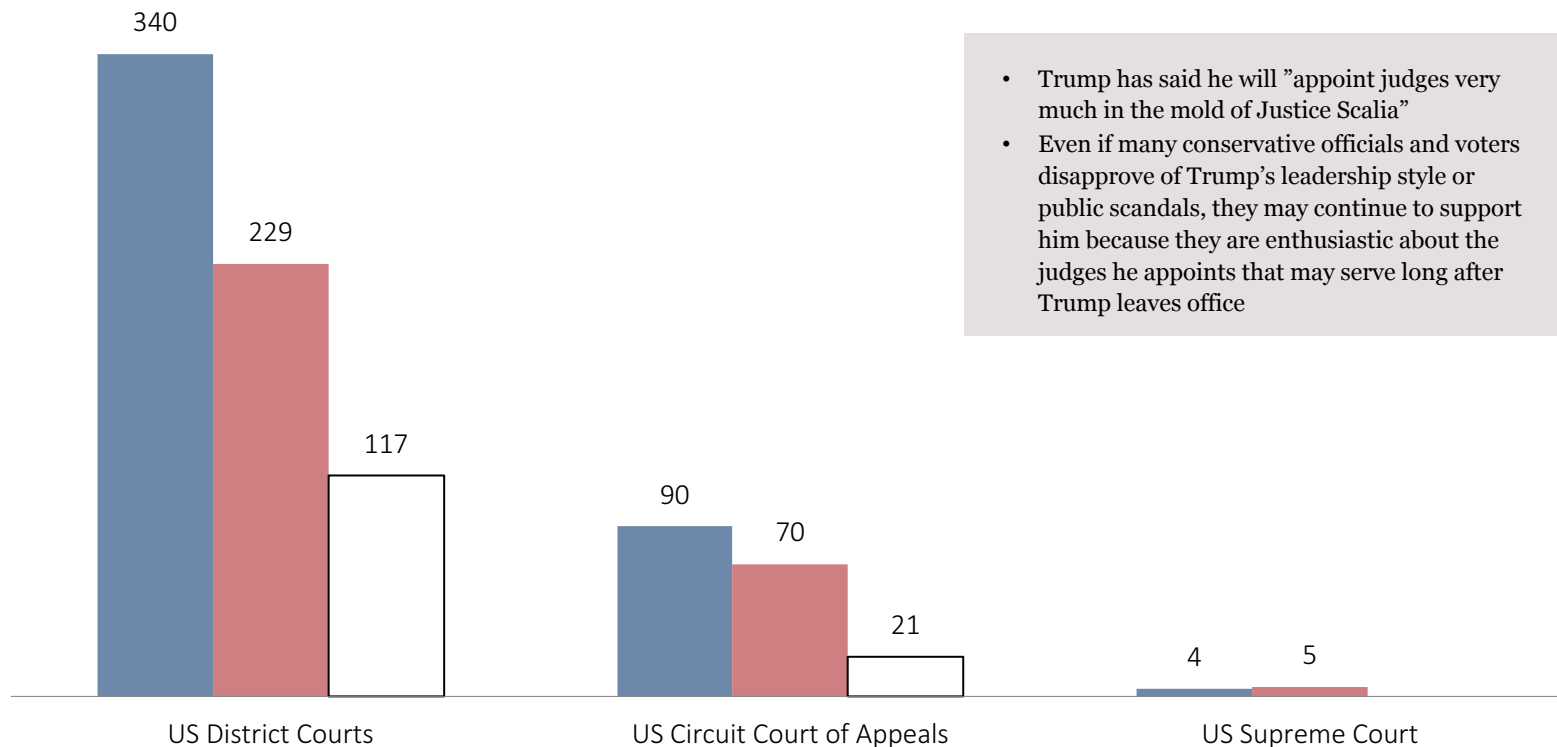
Source: "Tracking how many key positions Trump has filled so far," Washington Post, Sept. 22, 2017.

# Trump could reshape federal courts across the nation

## Current federal judges by nominating president

AS OF SEPTEMBER 22, 2017

■ Democrat appointed ■ Republican appointed □ Vacant



- Trump has said he will "appoint judges very much in the mold of Justice Scalia"
- Even if many conservative officials and voters disapprove of Trump's leadership style or public scandals, they may continue to support him because they are enthusiastic about the judges he appoints that may serve long after Trump leaves office

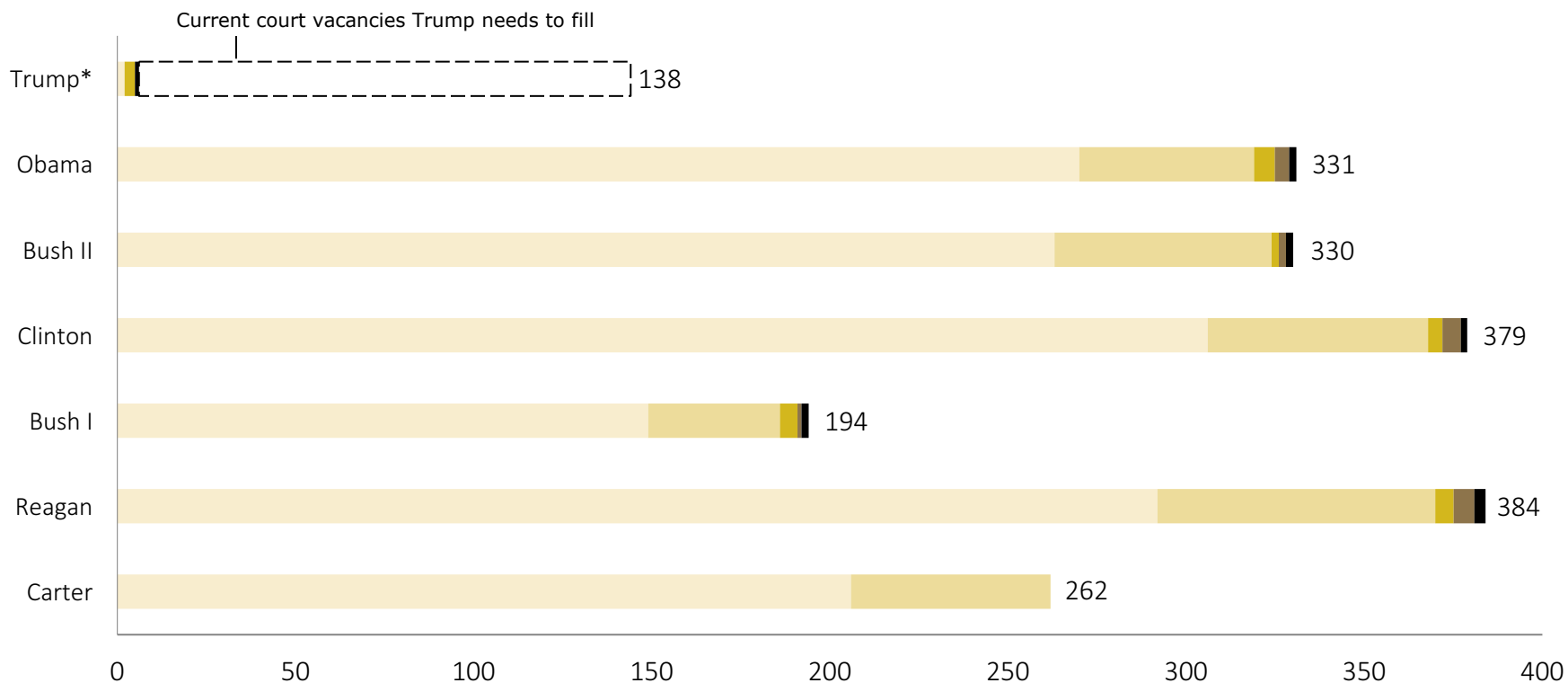
Sources: Paul Barrett and David Ingold, "One of the biggest reasons Republicans stick by Trump," Bloomberg, July 10, 2017; National Journal research.

# Trump already has over 100 federal court vacancies to fill

## Total judgeship appointments by president

\*AS OF SEPTEMBER 22, 2017

■ District courts
 ■ Regional court of appeals
 ■ Court of appeals, federal circuit
 ■ International trade
 ■ Supreme Court



Sources: USCourts.gov; National Journal Research.

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## Week in Review Archive

# President Trump has used executive orders to reverse many Obama administration policies

President Trump's most noteworthy executive orders; click here for the full [executive order tracker](#)



## Kickstarting the Obamacare repeal

- Trump's first executive order states agencies must "waive, defer, grant exemptions from, or delay" any portions of the Affordable Care Act that creates a financial burden for states, individuals or healthcare providers



## Building the border wall

- One of Trump's first executive orders instructed the secretary of homeland security to build a wall along the border with Mexico as well as construct detention facilities along the border, hire 5,000 additional border patrol agents, and end the "catch and release" policy



## Federal hiring freeze

- This executive order halted hiring of new personnel for the majority of federal agencies from January 23, 2017 – April 12, 2017
- Agency heads will be instructed to come up with a plan for cutting the number of federal workers by October 2018



## Revised travel ban

- After a clumsy rollout and negative response to the first travel ban, Trump signed a revised version in March
- It restricts entry of nationals from Iran, Sudan, Libya, Yemen, Somalia and Syria for 90 days, but no longer includes Iraq or applies to nationals with current visas, dual nationals, legal permanent residents and people with diplomatic visas



## Reversing the Clean Power Plan

- The order instructs the EPA to start rolling back the Clean Power Plan and mandates the reconsideration of carbon standards for new coal plants, methane emission standards for oil and gas operations, and the social cost of carbon calculations
- It also rescinds many Obama-era executive orders on the climate such as the Climate Action Plan



## Restarting Keystone/Dakota Access Pipelines

- While the Obama administration halted work on both pipelines, Trump directed Congress and federal agencies to reopen the projects for negotiation



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## Week in Review Archive

# An ongoing list of important dismissals or resignations from the Trump administration

In order of their departure



**Michael Flynn**  
National Security Advisor  
Resigned: 2/13/2017



**Sean Spicer**  
Press Secretary  
Resigned: 7/21/2017



**George Gigicos**  
Dir. of Scheduling & Advance  
Reassigned: 8/1/2017



**Boris Epshteyn**  
Director for Surrogate Ops  
Resigned: 3/27/2017



**Michael Short**  
Snr. Asst. to the Press Sec.  
Resigned: 7/25/2017



**Ezra Cohen-Watnick**  
Chief Strategist  
Reassigned: 8/2/2017



**Katie Walsh**  
Deputy Chief of Staff  
Resigned: 3/30/2017



**Derek Harvey**  
NSC Sen. Dir. for Middle East  
Reassigned: 7/27/2017



**Stephen Bannon**  
Chief Strategist  
Dismissed: 8/18/2017



**K.T. McFarland**  
Dep. Nat. Security Advisor  
Dismissed: 4/9/2017



**Reince Priebus**  
Chief of Staff  
Resigned: 7/28/2017



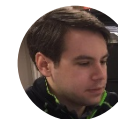
**George Sifakis**  
Director of Public Liaison  
Resigned: 8/--/2017



**Michael Dubke**  
Communications Director  
Resigned: 6/02/2017



**Josh Pitcock**  
Chief of Staff to VP Pence  
Resigned: 7/28/2017



**Andy Hemming**  
Director of Rapid Response  
Resigned: 8/21/2017



**Rich Higgins**  
NSC Dir. of Strategic Planning  
Dismissed: 7/21/2017



**Anthony Scaramucci**  
Communications Director  
Resigned: 7/31/2017

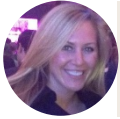


**Sebastian Gorka**  
Strategist  
Dismissed: 8/25/2017

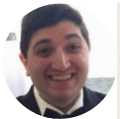
Sources: National Journal Research, 2017. Jeremy Berke, "Anthony Scaramucci lasted less than 2 weeks — here are all 10 casualties of the Trump administration so far," Business Insider, July 31, 2017.

# An ongoing list of important dismissals or resignations from the Trump administration

In order of their departure



**Tory Maguire**  
Director of Scheduling  
Resigned: 9/22/2017



**Andy Surabian**  
Deputy Strategist  
Resigned: 9/6/2017



**Tom Price**  
HHS Secretary  
Resigned: 9/29/2017

Sources: National Journal Research, 2017. Jeremy Berke, "Anthony Scaramucci lasted less than 2 weeks — here are all 10 casualties of the Trump administration so far," Business Insider, July 31, 2017.

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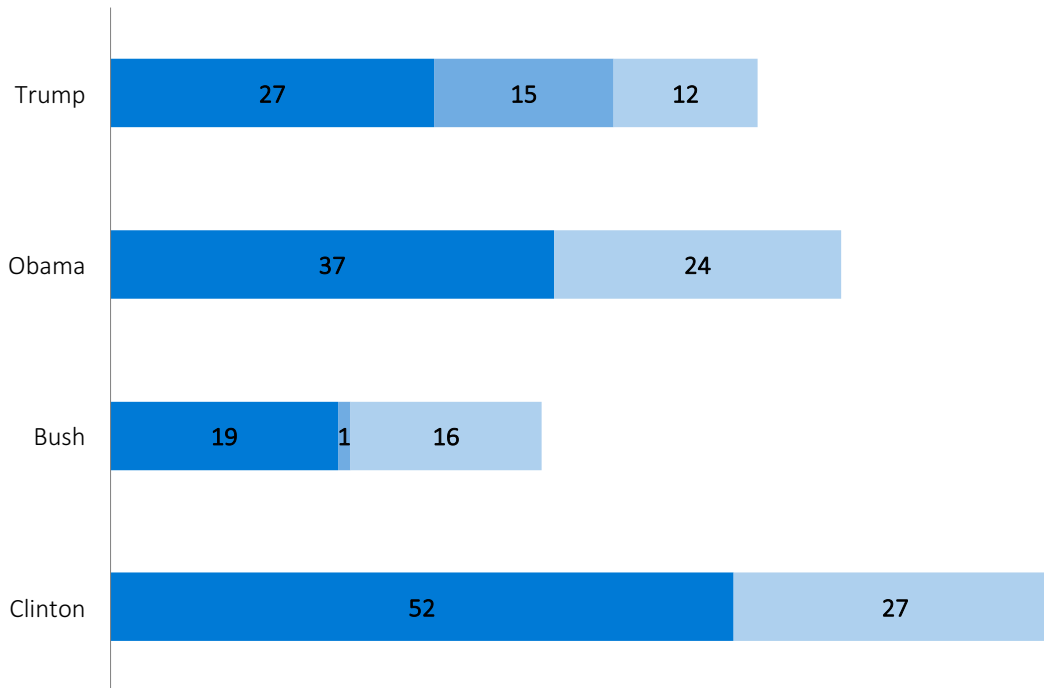
Technology

## Week in Review Archive

# Trump has signed fewer bills into law than two of his three predecessors, and half were ceremonial or CRA bills

## Bills signed into law by presidents through 217 days into their first term

■ Non-CRA legislation ■ Congressional Review Act (CRA) legislation ■ Ceremonial



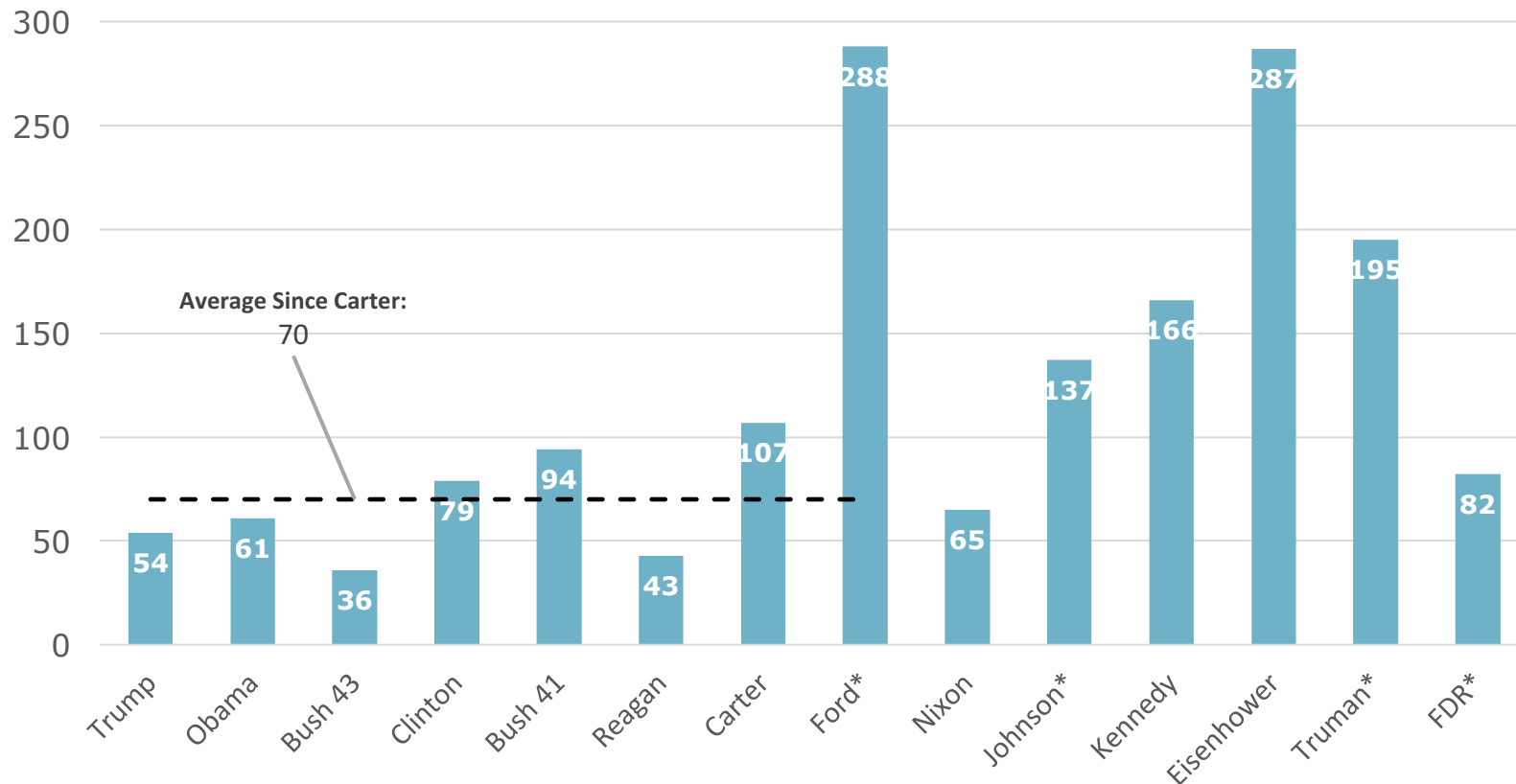
## Most important legislation signed in the first 217 days of first term

- 15 Congressional Review Act bills
  - Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017
  - Veterans Appeals Improvement and Modernization Act of 2017
- 
- American Recovery and Reinvestment Act of 2009
  - Lilly Ledbetter Fair Pay Act of 2009
  - Helping Families Save Their Homes Act of 2009
  - Fraud Enforcement and Recovery Act of 2009
  - Credit CARD Act of 2009
- 
- Economic Growth and Tax Relief Reconciliation Act of 2001
  - Fallen Hero Survivor Benefit Fairness Act of 2001
- 
- Family and Medical Leave Act of 1993
  - Emergency Unemployment Compensation Amendments of 1993
  - National Voter Registration Act of 1993
  - Omnibus Budget Reconciliation Act of 1993

Sources: National Journal Research, 2017.

# President Trump has signed 54 bills into public law since his inauguration, below the average of 70 since Carter

Number of public laws enacted 217 days into a president's first term



\*Ford, Johnson and Truman assumed office in the middle of a legislative session; FDR's first session began in March of 1933

Sources: National Journal Research, 2017. Library of Congress Statutes at Large. Government Publishing Office Statutes at Large. Congress.gov.

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# Justice Gorsuch returns the Supreme Court to a 5-4 conservative majority



**Justice Neil Gorsuch**

**Background:** Gorsuch is a constitutional originalist whose legal views are considered similar to the late Justice Scalia, but less conservative than Justice Thomas. As a former clerk for Justice Kennedy, Gorsuch gives hope to some conservatives that he will be able to pull his more moderate mentor to the right. When Gorsuch was 38, President George W. Bush appointed him to a federal judgeship. As the court's youngest justice, Gorsuch could serve for over three decades.

## Justices of the Supreme Court



**Neil Gorsuch**  
Associate Justice – Age 50  
Nominated by: Reagan



**Samuel Alito**  
Associate Justice – Age 67  
Nominated by: W. Bush



**Clarence Thomas**  
Associate Justice – Age 69  
Nominated by: H.W. Bush



**Anthony Kennedy**  
Associate Justice – Age 81  
Nominated by: Reagan



**John Roberts**  
Chief Justice – Age 62  
Nominated by: W. Bush



**Stephen Breyer**  
Associate Justice – Age 79  
Nominated by: Clinton



**Elena Kagan**  
Associate Justice – Age 57  
Nominated by: Obama



**Ruth Bader Ginsburg**  
Associate Justice – Age 84  
Nominated by: Clinton



**Sonia Sotomayor**  
Associate Justice – Age 63  
Nominated by: Obama

Confirmation votes by party	Yea	Nay	Not Voting
Republicans	● 52	● 0	○ 1
Democrats	● 3	● 43	○ 0
Independents	● 0	● 2	○ 0
<b>Total</b>	<b>54</b>	<b>45</b>	1

Sources: National Journal Research, 2017.



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## Week in Review Archive

# Agriculture: some Obama-era rules are in limbo, but the upcoming farm bill debate looms without clear policy goals

■ Completed ■ In progress ■ Stalled ■ No action



## Repealing the WOTUS rule

- EPA Administrator Scott Pruitt started an official review process of which waters must be regulated by the EPA and Army Corps of Engineers
- Most farmers opposed the Obama-era definition



## Large budget cuts to USDA

- Trump's budget called for the elimination of some popular programs, the creation of fees for most inspection services and large cuts to SNAP
- Congress gave similar appropriations as FY17



## Farmer Fair Practice rules

- Late Obama-era regulations on contract farming have been delayed indefinitely
- USDA is currently seeking comment on whether it should revise or revoke the rules



## Relaxing school nutrition standards

- An interim final rule was advanced last month that would make permanent a relaxation of nutrition rules for school meals



## Filling key posts

- Secretary Perdue is the only Senate-confirmed office holder at USDA, with only six other nominees awaiting confirmation



## 2018 Farm Bill

- Congress and Secretary Perdue have had multiple listening sessions about the farm bill
- Farmers have voiced concern about labor shortages and problems with cotton and dairy subsidies

## What's next?

- Congress is set to pass a budget that maintains current funding for USDA programs, but leaders have signaled that funding will decrease for the 2018 farm bill
- The Trump administration's Rural Task Force has until October 22<sup>nd</sup> to send its report to the president on possible regulations to remove and policy proposals to increase rural employment, expand infrastructure and improve well-being
- Sam Clovis, a policy lead for the Trump campaign, has been nominated to the chief science position at USDA, although his previous controversial comments could slow his confirmation process
- The comment period for the WOTUS definition ends August 28 and EPA Administrator Pruitt is looking to make a final decision on the issue by March 2018

Sources: National Journal Research, 2017

# Influential voices on important agricultural issues



**Sonny Perdue**  
Secretary of Agriculture



**Sen. Pat Roberts**  
Chair of the Senate  
Agriculture Committee

## On NAFTA renegotiations:

- “For most sectors, NAFTA has been good for agriculture. We have a very high market share with Mexico in the products we send down there. We don’t have a lot of room for improvement.”

- “We request that [USTR Lighthizer] avoid any revisions to NAFTA and other previously negotiated trade agreements that would diminish the opportunities for U.S. farmers and ranchers to export their products.”

## On crop insurance:

- “We are moving away from direct payments. The American public will tolerate and support [crop insurance] because they recognize that food production is a national security issue.”

- “Yes, we will have to meet our budget figures, but we can do so in a way where we achieve efficiencies as opposed to major cuts.”
- “I would remind ‘reform’ advocates, that the last Farm Bill voluntarily cut spending.”

## On SNAP:

- “I think most people would acknowledge that the coalition that comes together to pass this farm bill is necessary...I don’t think there will be a serious effort to bifurcate those bills this year.”

- “Block grants don’t get us to 60 votes. A farm bill without any changes to SNAP doesn’t get us 60 votes either.”

Sources: Gene Zaleski, “Speak up, speak often, speak loud’: U.S. ag secretary visits with local farmers”, T&D.com, August 28, 2017. Letter from Senators to USTR Robert Lighthizer, June 28, 2017. Willis Scott, “Roberts talks about Farm Bill at Harvesters,” KSNT.com, August 25, 2017.

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## Week in Review Archive

# Budget: process is ongoing, but congressional allocations will likely differ significantly from Trump's budget request

■ Completed ■ In progress ■ Stalled ■ No action



## Health care reform

- With the failure of repeal and replace in the Senate, health care reform has been put on the back burner as the focus shifts to tax reform



## Tax reform and simplification

- It is unclear how Trump's plan will cut taxes while simultaneously reducing the federal deficit
- Trump's tax plan sets the corporate tax rate at 20%



## Immigration reform

- The administration announced an end to the Obama-era DACA program and Trump met with Democratic leadership to find a resolution to the issue



## Reductions in federal spending

- Trump and the House Budget Committee claim their proposals would lead to a balanced budget. The CBO has disagreed on both accounts



## Welfare reform

- Trump and the House Budget Committee have proposed significant cuts to welfare
- The Senate budget proposes \$5.071 trillion in cuts over a decade, but does not provide specifics



## Strengthen national defense

- Both the House Budget Committee and the White House are advocating for increases to defense spending

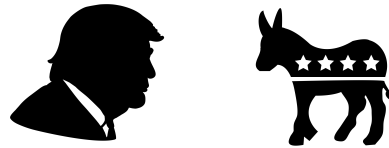
## What's next?

- Trump brokered a temporary deal with Democrats in early September to fund the government and suspend the debt ceiling until December 8<sup>th</sup>
- Trump did not require funding for the border wall to be included in the resolution that pushed the debt ceiling and budget decisions back until December
- Congressional Republicans were upset that Trump brokered a deal with Democrats without the party's support. Many claim the deal will give Democrats a leg up in negotiations when the issues are addressed again in December
- The Senate and House are set to vote on their respective budget proposals the week of October 2<sup>nd</sup>. If both budgets pass, each house will have to reconcile the differences in their budgets

Sources: National Journal Research, 2017; Chairman Diane Black, "Building a Better America: House FY18 Budget," House Budget Committee, 2017; Office of Management and Budget, "A New Foundation For American Greatness, Fiscal Year 2018," White House, 2017. Ed O'Keefe, "Nancy Pelosi confronted by immigration rights protesters about her DACA talks with Trump," Washington Post, Sept. 17, 2017.

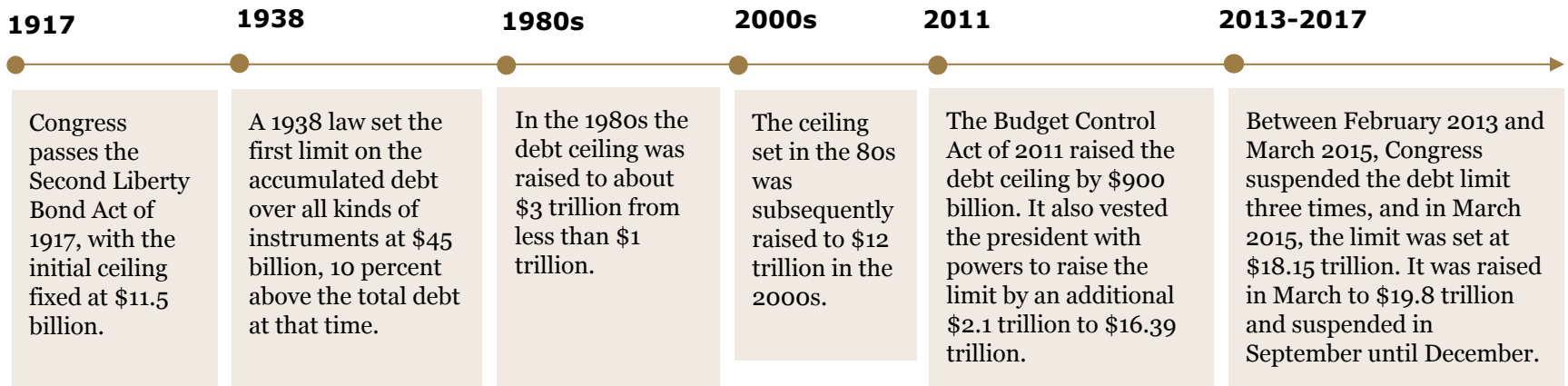
# Since its inception, the debt ceiling has been raised or suspended many times

Most recent action on the debt ceiling



**Trump brokered a deal with Democrats in early September to temporarily suspend the debt ceiling until December.**  
 This will give Congress more time to address hurricane relief funding, the budget and the debt ceiling, but the GOP sought at least a six-month extension.

## Debt ceiling timeline



Sources: Investopedia staff, "Debt ceiling," Investopedia, September 2017; Shanthi Rexaline, "How The 'Debt Ceiling' Works," Yahoo Finance, March 19, 2017; Kim Soffen, Darla Cameron and Kevin Uhrmacher, "Why does the debt ceiling exist?" The Washington Post, September 7, 2017.

# President Trump's budget proposal takes aim at many Obama-era regulations

## The Trump administration's eight pillars of reform



### Health reform

- Trump's plan seeks to repeal Obamacare and replace it "with a framework that restores choice and competition"



### Regulatory rollback

- Trump's plan calls for aggressive elimination of federal regulation that the administration deems "outdated"



### Tax reform

- The budget claims to simplify the tax system so individuals and corporations can spend less time filling out taxes



### Energy development

- The budget puts a focus on developing and cultivating U.S. energy resources to strengthen national security and lower the price of electricity and transportation fuel



### Reduction in federal spending

- In the budget, Trump calls on Congress to "scrutinize every dollar the federal government spends"



### Welfare reform

- Trump's welfare reform aims to ensure able-bodied adults are not "discouraged from working, which takes away scarce resources from those in real need"



### Immigration reform

- The budget proposes reforming immigration "to reduce burdens on taxpayers ... and focus federal funds on underserved and disadvantaged citizens"



### Education reform

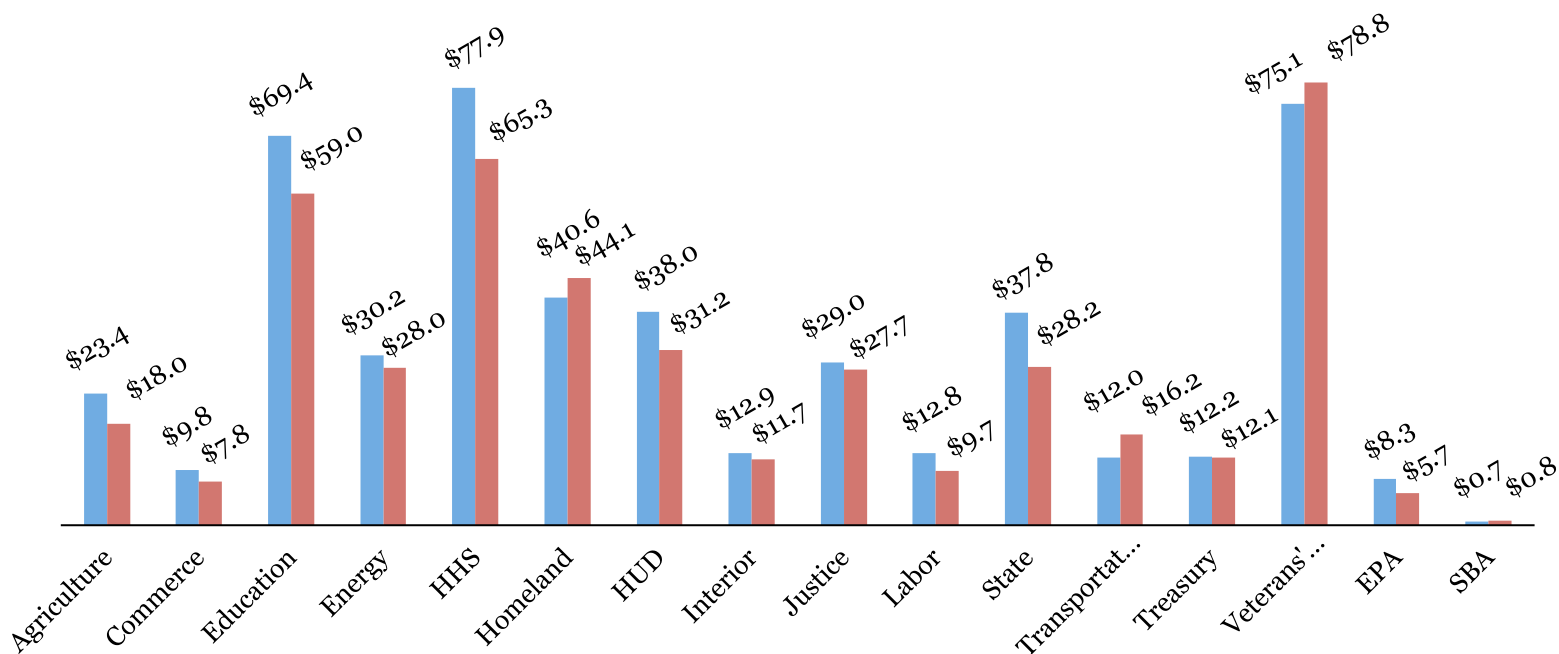
- The education reform suggested in the budget is aimed to "return decision regarding education back to the state and local levels"

Sources: Office of Budget and Management, "A new foundation for American greatness," The Office of the President, May 23, 2017.

# Trump's request calls for cuts in most departments compared to Obama's final budget request

## Overview of the FY17 and FY18 budget requests

■ FY17 request, in billions (Obama) ■ FY18 request, in billions (Trump)

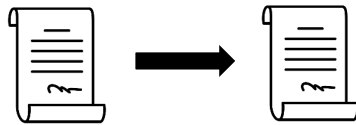


Sources: National Journal Research, 2017; Office of Budget and Management, 2017.



# Trump's budget request makes many assumptions, requires other legislative wins to be fully realized

## Important legislation affecting the budget



**The repeal and replace of Obamacare**, with savings amounting to \$250 billion



**Medicaid reform**, with savings of \$610 billion over 10 years



**SNAP benefits reform**, including state matching at a rate of 10% in 2020 and 25% by 2023

# 3% growth?

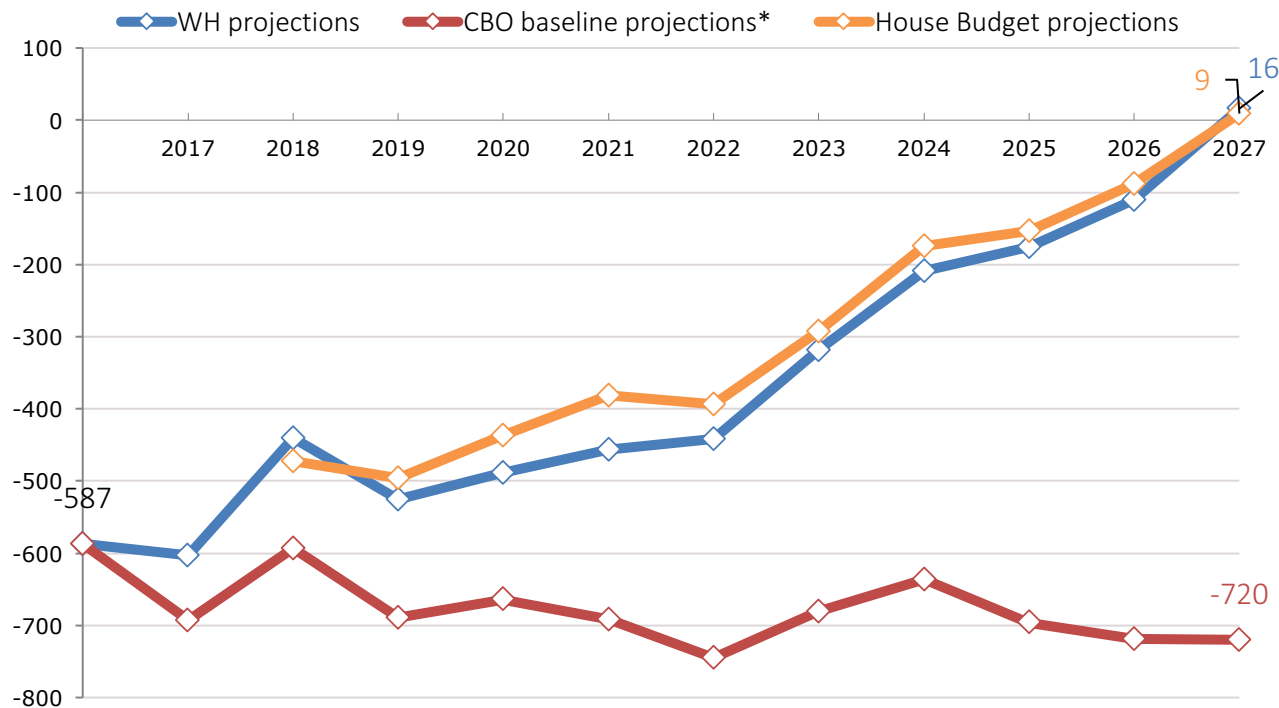
**A key component of Trump's budget request is the assumption of 3 percent growth of the economy.** This assumption is imperative to the proposal, as it utilizes high tax revenues to fund certain program expansions while reducing the deficit. The Congressional Budget Office estimates future growth at about 1.9 percent and the Federal Reserve projects the economy will expand at a 1.8 percent annual rate.

Sources: Berkeley Lovelace Jr., "Trump's new budget is only good for 1.9% growth rather than 3%, warns ex-OMB director," CNBC, May 23, 2017; Office of Management and Budget, "A new foundation for American greatness," May 23, 2017.

# Trump's budget request makes many assumptions, requires other legislative wins to be fully realized

## Federal deficit projections over the next 10 years

BILLIONS OF USD, 2016-2027



### CBO projects no surplus


- The White House and Budget Committee both forecast surpluses based on their budget proposals, varying slightly in their projections
- The CBO's projections differed greatly from both reports, predicting a \$720 billion deficit
- The difference in projections can be attributed to the White House and Budget Committee's assumptions that the budget will generate much higher revenues as a result of increased economic growth

Sources: Sources: Kate Davidson, "Trump Budget Would Not Balance in 10 Years, CBO Says," WSJ, July 13, 2017; Office of Management and Budget, "Budget Of The U.S. Government: A New Foundation For American Greatness," OMB, May 23, 2017; Diane Black, "Building A Better America, A Plan For Fiscal Responsibility, FY 2018 Budget Resolution," House Budget Committee, July 18, 2017.


# House budget proposal advances ambitious spending cuts, paving the way to major tax overhaul

Committee and proposed cuts	Possible outcomes
<b>Financial Services Committee, \$14 billion</b>	Republicans may repeal large parts of the Dodd-Frank financial reform law. The Congressional Budget Office found earlier this year that the Financial Choice Act, a Dodd-Frank repeal bill passed by the House last month, would reduce the deficit by about \$24 billion over the next 10 years
<b>Judiciary Committee, \$45 billion</b>	These savings could be produced under the House-passed Protecting Access to Care Act, a medical malpractice reform bill
<b>Oversight and Government Reform, \$32 billion</b>	The committee will likely look to cuts to the federal workforce and to federal employee benefits
<b>Ways and Means Committee, \$52 billion</b>	House Speaker Paul D. Ryan (R-WI) and the panel’s chairman, Rep. Kevin Brady (R-TX), have said they intend to pursue a deficit-neutral reform bill, meaning the savings would have to be found in other programs under the committee’s jurisdiction — such as Medicare, disability aid, Temporary Assistance for Needy Families and unemployment compensation


## Additional committees and proposed cuts




**Agriculture Committee, \$10 billion**




**Homeland Security, \$3 billion**




**Education and Workforce Committee, \$20 billion**




**Natural Resources Committee, \$5 billion**



**Armed Services Committee, \$1 billion**



**Energy and Commerce Committee, \$20 billion**



**Veterans Committee, \$1 billion**

Sources: Mike DeBonis, “House GOP unveils budget plan that attaches major spending cuts to coming tax overhaul bill,” The Washington Post, July 18, 2017; Diane Black, “Building A Better America, A Plan For Fiscal Responsibility, FY 2018 Budget Resolution,” House Budget Committee, July 18, 2017.

# House and Senate budget plans differ in several areas

## Tenets of the Senate budget resolution



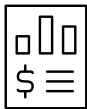
Allows for \$1.5 trillion in tax cuts over 10 years



Instructs Senate Finance Committee and House Ways and Means Committee to develop tax legislation by November 13



Instructs Senate Energy and Natural Resources Committee and House Natural Resources Committee to draft legislation by November 13 that would reduce the deficit by at least \$1 billion over 10 years; could open the Arctic National Wildlife Refuge in Alaska to oil drilling



Repeals requirement of CBO score being available online for 28 hours before a vote on legislation

## Tenets of the House budget resolution



Calls for deficit-neutral tax reform



Instructs 11 congressional committees to cut at least \$203 billion in mandatory spending over 10 years

Once the House and Senate pass their budgets, they will have to find a middle ground and reach a compromise budget resolution to start the reconciliation process needed to pass tax reform.

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## Week in Review Archive

# Cybersecurity: agencies to implement cybersecurity recommendations, Senate to vote on training bills

■ Completed ■ In progress ■ Stalled ■ No action



## Cybersecurity EO

- The cybersecurity EO was signed May 11th, and agencies had until Aug. 9 to respond with plans on how to mitigate cyber risks
- Agencies still need to implement forthcoming recommendations



## Kaspersky anti-virus

- In September, the DHS issued a “binding operational directive” that ordered agencies to stop using Kaspersky products
- The directive gave agencies 90 days to locate the product on their systems, plan how to remove and replace the software, and execute the plan



## S.1428

- The Small Business Cyber Training Act of 2017 has been unanimously approved by the Senate Small Business Committee
- The bill awaits a full Senate vote



## S. 754

- The Cyber Scholarship Opportunities Act of 2017 was approved by the Senate Commerce Committee to await a full committee vote
- Sens. Tim Kaine (D-VA) and Roger Wicker (R-MS) offered the act as an amendment to the FY18 NDAA

## What's next?

- **Cybersecurity EO:** By fall, DOC and DHS are expected to provide recommendations on how to comply with the EO, and they will likely ask agencies to transition to a consolidated network architecture, employ more shared IT services, institute cryptographic key management and high assurance authentication, as well as implement cross-domain security to facilitate information sharing
- **Cybersecurity officials:** Throughout August and September, four CIOs will step down: Richard Staropoli of DHS, Dave DeVries of OPM, Rob Foster of the Navy and Sean Kelley of EPA. The Trump administration will need to fill these positions as well as CIO and CISO of OMB

Sources: National Journal research, 2017; Morgan Chalfant, “Loss of top cyber officials spells challenge for Trump,” The Hill, August 18, 2017; Shawn Campbell, “Taking first steps to compliance with the new cyber executive order,” Government Security News, August 16, 2017; Lee Matthews, “Spying concerns lead congress to ban Kaspersky antivirus software,” Forbes, September 13, 2017; Morgan Chalfant, “Senators to offer bipartisan amendment boosting cyber scholarships,” The Hill, September 12, 2017.

# Multiple bills have been introduced in Congress to address cybersecurity issues

## Proposed legislation in Congress

### Internet of Things Cybersecurity Improvement Act of 2017

Sens. Mark Warner (D-VA), Steve Daines (R-MO), Cory Gardner (R-CO) and Ron Wyden (D-OR) introduced the measure to establish guidelines for the procurement of IoT devices for the Federal Government. The bill would “limit government purchases of internet-connected devices to those meeting minimal security standards,” and would require offices to catalog IoT devices in their possession. The legislation would additionally call for the Office of Management and Budget (OMB) to develop security standards for IoT devices

**Status:** Introduced on August 1, 2017

### Small Business Cyber Training Act of 2017 (S.1248)

Sen. Jim Risch (R-ID) introduced legislation that would require the Small Business Administration to establish a program to train small business employees in order to “provide cybersecurity planning assistance to small businesses.” It would additionally require that a certain number of employees at small business development centers attain cybersecurity training certifications. The bill is intended to equip small businesses with the tools they need to combat the ever-growing threat of cyber attacks

**Status:** Unanimously approved by the Senate Small Business Committee; awaits a vote by the full Senate

### Cyber Scholarship Opportunities Act of 2017 (S.754)

Sens. Tim Kaine (D-VA) and Roger Wicker (R-MS) introduced the measure to increase the number of National Science Foundation scholarships for students pursuing an associate’s degree in cybersecurity fields with the “intent of transferring to a bachelor’s degree program and who either have a bachelor’s degree already or are veterans of the Armed Forces.” The bill would additionally grow and develop cybersecurity educational programs in elementary and secondary schools

**Status:** Approved by the Senate Commerce Committee; awaits a vote by the full Senate

Sources: Congress.gov 2017; Joe Uchill, “Senators offer bill to boost security of internet-connected devices,” The Hill, August 1, 2017; Edward Graham, “Senate Panels Advance Bills to Improve Cybersecurity Skills,” Morning Consult, August 2, 2017

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## Week in Review Archive



# Criminal justice: over the past six months Sessions and Trump have spearheaded many hard-line changes

■ Completed ■ In progress ■ Stalled ■ No action



## Crack down on drug crimes

- AG Jeff Sessions has been vocal about instituting a return to harsher federal charging policies
- In May he overturned Obama-era flexibility on mandatory minimums



## Create task force on crime reduction and public safety

- Trump instructed Jeff Sessions to create the task force in February via executive order
- The task force has not yet initiated policy change



## Cut down on police regulation

- The DOJ is rolling back an Obama-era program that investigates and issues public reports about problems in individual police departments



## Change policy on transgender students

- Trump rescinded Obama's guidance to the nation's schools, which warned that failing to allow students to use the bathrooms matching their gender identity could cause them to lose federal funds



## Appoint a new Supreme Court justice

- President Trump's nominee, Neil Gorsuch, was confirmed by the Senate

### What's next?

- Attorney General Jeff Sessions said the DOJ will be **less interested in opening civil rights investigations** of local police departments than the DOJ was under Eric Holder
- Trump assigned Jared Kushner to set the White House agenda on criminal justice, though he has also been assigned purview over a number of other issue areas
- Kushner had a meeting on Capitol Hill in mid-April to discuss the future of criminal justice reform with House and Senate leaders who plan to resurrect a criminal justice reform bill from 2015
- Jeff Sessions was a vocal opponent of the 2015 bill
- Legislative progress on criminal justice will likely be a **low priority** behind the challenges of dealing with health care and tax reform

# Jeff Sessions has led the DOJ in reversing many Obama-era policies

## Jeff Sessions' impact as Attorney General so far



### Private prisons

Two weeks after being sworn in, Sessions announced he was rescinding an August 2016 memo to phase out the use of private prisons for federal inmates. His reasoning involved his concern about the DOJ prison agency's "ability to meet the future needs of the federal correctional system."



### Crack down on drug crimes

Sessions has been vocal about instituting a return to harsher federal charging policies. In May 2017, he overturned Obama-era flexibility on mandatory minimums, resulting in more drug-related arrests.



### More power to border patrol

In April 2017, Sessions instructed prosecutors to charge immigrants re-entering the country with a felony rather than a misdemeanor and told them to crack down on the "harboring" of undocumented immigrants. He also announced that he would be sending more immigration judges to states on the Mexican border through a new "streamlined" hiring plan.



### Review police consent decrees

Sessions said the practice of establishing consent decrees between the federal government and local police departments on reforming police activities can lower police morale.



*"We have a crime problem. I wish the rise that we are seeing in crime in America today were some sort of aberration or a blip. My best judgment, having been involved in criminal law enforcement for many years, is that this is a dangerous, permanent trend that places the health and safety of the American people at risk."*

– Jeff Sessions during his speech after taking the attorney general oath of office on February 9, 2017.

### Ending DACA

- On Sept. 5<sup>th</sup> Jeff Sessions announced the Trump administration will phase out the DACA program over six months
- While Sessions opposes the program, President Trump has said he chose to end the program so that Congress would take responsibility for creating sustainable legislation to protect the dreamers

Sources: Riley Beggin, "Jeff Sessions: everything you need to know about the attorney general," ABC, June 12, 2017; Hannah Kozlowska, "Jeff Sessions has done more damage in his first 100 days than his boss," Quartz, May 19, 2017; Adam Serwer, "What Jeff Sessions's Role in Prosecuting the Klan Reveals About His Civil-Rights Record," The Atlantic, February 10, 2017.

# Under Sessions' leadership, the DOJ has taken particular aim at rolling back Obama-era civil rights guidelines

## Interpreting the Civil Rights Act of 1964



### Transgender no longer protected by 1964 Civil Rights Act

- The Justice Department will now take the position in court cases that transgender people are no longer protected by the Civil Rights Act ban on workplace discrimination based on sex
- Sessions' memo aims to clarify how attorneys should interpret employment protections based on "sex" in Title VII of the Civil Rights Act
- In 2014 Eric Holder, the attorney general at the time, ordered the Justice Department to view "sex" as encompassing gender identity, extending protections to transgender people
- Sessions' memo reversed this and stated the word "sex" in the statute means only "biologically male or female," and that the Civil Rights Act does not ban "discrimination based on gender identity per se, including transgender status"



### Homosexuality no longer protected by the 1964 Civil Rights Act

- The Justice Department advised an appeals court that the Civil Rights Act does not ban discrimination on the basis of sexual orientation
- The new guideline for interpreting the Civil Rights Act came from a DOJ court filing in a discrimination lawsuit against a New York skydiving company
- Regarding the case, the Equal Employment Opportunity Commission said, "discrimination because of sexual orientation cannot rationally be distinguished from discrimination because of sex"
- The DOJ stepped into the case to say the law applies only to discrimination that treats men and women differently because Congress has consistently declined to amend the law in light of changes in societal and cultural attitudes about discrimination

Sources: Riley Beggin, "Jeff Sessions: everything you need to know about the attorney general," ABC, June 12, 2017; Hannah Kozlowska, "Jeff Sessions has done more damage in his first 100 days than his boss," Quartz, May 19, 2017; Adam Serwer, "What Jeff Sessions's Role in Prosecuting the Klan Reveals About His Civil-Rights Record," The Atlantic, February 10, 2017.

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## Week in Review Archive

# Defense: Trump has made progress on defense funding & kept a hard line on North Korea in the first eight months

■ Completed   ■ In progress   ■ Stalled   ■ No action



## Restoring National Security Act

- The act would expand military investment, end the defense sequester and protect infrastructure from cyber-attacks
- These action items have been incorporated into other legislation



## Plan to defeat ISIL

- DOD officials say 8,000 square miles of territory formerly under ISIS control have been reclaimed under Trump



## Relations with Russia over Syria

- The open-ended cease-fire in place in southern Syria brokered by Russia, the US and Jordan is holding
- Countries are beginning to worry about who will have the most influence in Syria and Iraq as the conflict ebbs



## Increase defense spending & size of the US military

- Following the House, the Senate passed the 2018 NDAA, which includes a huge increase in military spending and the number of troops
- The legislation awaits President Trump's signature



## Relations with North Korea

- The Trump administration is pressuring North Korea to dismantle its nuclear program via the UN and congressional sanctions
- Trump has used increasingly threatening language towards North Korea while his secretaries of state and defense have underlined the use of diplomacy in the recent escalation

## What's next?

- **North Korea:** Tensions with North Korea continue to rise. With President Trump's hawkish rhetoric conflicting with his cabinet promoting peaceful solutions, the situation is unlikely to de-escalate in the near future
- **Russia:** Russia joined with China in urging the United States not to take military action against North Korea, saying the escalating threats of war traded between Washington and Pyongyang could reach the point of no return
- **Afghanistan:** Trump has discussed a new strategy in Afghanistan for ramping up troop numbers and giving military leadership more autonomy on the battlefield
- **Iran:** The Trump administration has begun a comprehensive review of the Iran deal; however, the US has confirmed Iran is in compliance with their end of the deal

Sources: National Journal Research, 2017

# Three potential outcomes of Trump decertifying the Iran nuclear deal

Decertifying the May 2015 Iran Nuclear Agreement Review Act (INARA) will lead to one of three results

**Congress doesn't act on decertification** and the Joint Comprehensive Plan of Action (JCPOA) remains unaffected



**Congress levies sanctions against Iran** and the JCPOA is voided, in which case Iran could continue pursuit of nuclear weapons at the pre-deal rate



**Congress amends INARA** to add “triggers” to the current JCPOA to generate sanctions automatically if and when the agreement is violated. This is Trump’s preferred option



## Likely outcomes:

- Decertify that Iran has met the terms for sanctions relief under INARA, which requires the president to certify that Iran is in compliance with the JCPOA every 90 days
- The decertification gives Congress 60 days to respond
- Trump’s preferred outcome is that Congress amend the INARA to restrictions of Iran’s ballistic missile program and destabilizing activities, including giving support to anti-government Houthi fighters in Yemen
- Sens. Bob Corker (R-TN) and Tom Cotton (R-AR), chairmen of the Senate Foreign Relations Committee and Senate Armed Services Air Land Subcommittee, respectively, have been working on legislation that would trigger US sanctions if Iran’s nuclear program comes within a year of obtaining a nuclear weapon
- Rep. Eliot Engel (D-NY) said decertification “harms America’s credibility on the world stage,” and Sen. Ben Cardin (D-MD) said Trump’s decision will “put us in a weaker position on Iran negotiations.”

Sources: Tara Copp, “Trump to stay in Iran nuclear deal, ask Congress to revise enforcement,” Military Times, October 13, 2017.

# Defense: NDAA

## Highlights of rejected and approved NDAA amendments

Rejected	Details
Ban on gender transition medical care	The amendment put forward by Rep. Vicky Hartzler (R-MO) was rejected 209-214; it would bar the Pentagon from funding gender-transition related medical care other than mental health. Democrats slammed Hartzler for the “ignorant” and “mean-spirited” amendment.
BRAC	Rep. Tom McClintock (R-CA) submitted an amendment that would remove the NDAA provision barring a new Base Realignment and Closure (BRAC) round that was requested by the Pentagon for 2021. The measure was rejected 175-248
Study of Islamic ideology	Rep. Trent Frank’s (R-AZ) amendment that would require the Pentagon to conduct strategic studies on “the use of violent or unorthodox Islamic religious doctrine to support extremist or terrorist messaging and justification” was rejected 208-217

Approved	Details
Military budget	Requests \$696.5 billion for the defense budget, with \$621.5 billion for base budget and nuclear programs, and \$75 billion for the Overseas Contingency Operations (OCO). The request exceeds the Budget Control Act defense cap of \$549 billion for FY 2018 and exceeds Trump’s request by \$28.5 billion
Pentagon strategy	Requires the Trump administration to produce a comprehensive strategy to defeat ISIS, al Qaeda, the Taliban and various affiliated groups. The administration will additionally assess the adequacy of the AUMF in accomplishing this goal
Russian aggression	Allows for the development of a missile banned by the INF Treaty in response to Russia’s numerous violations of the treaty.

- The House passed the NDAA on July 14, 2017 in a 344-81 vote. It will move next to the Senate for consideration. If the FY2018 NDAA passes the Senate, it will be submitted to the president for approval
- The broader debate over the defense budget is likely to be contentious, with Sen. John McCain (R-AZ) and Rep. Mac Thornberry (R-TX) proposing a total defense budget of \$670 billion as opposed to Trump’s proposal of \$639 billion

Sources: Ellen Mitchell, “House passes \$696.5B defense policy bill,” The Hill, July 14, 2017; Gregory Hellman, “Politico’s Morning Defense,” Politico, July 14, 2017; Reform and Rebuild: National Defense Authorization Act for FY18,” House Armed Services Committee, July 14, 2017; National Journal Research, 2017..

# Defense: Conflict in Iraq & Syria



## Policy changes

- Trump delegated more authority to the Pentagon to carry out air strikes and approved a tactical shift from driving ISIS away from populated areas to instead surrounding it in its strongholds, some of which are densely populated with civilians
- As of March, the coalition will not announce or confirm troop numbers, locations, or movements in the Middle Eastern theater to maintain tactical advantage and operational security. This policy differs greatly from that of the Obama administration, which maintained transparency of troop movements to the region
- Claiming self-defense, the US military had four incidents of attacking pro-Syrian forces in June and July, the most recent being the downing of a Syrian fighter jet.



## A rise in civilian casualties

- According to data from Airwars, a non-profit group that monitors and reports civilian casualties from airstrikes in Iraq and Syria, the number of civilians killed by airstrikes is set to double under the Trump administration
- While the Coalition reports numbers much lower numbers than Airwars, it does confirm the same trend of increased civilian casualties
- Secretary of Defense James Mattis denies that there have been changes to “extraordinary efforts to avoid innocent civilian casualties,” instead pointing to the fact that the offensives have been in areas with greater civilian populations
- Airwars and other local monitors began reporting the rise in civilian casualties in March of 2017, one month after Mattis presented the defense plan to Trump

### Quick numbers\*

**1,115** days of campaign

**25,692** airstrikes by the US-led coalition

(the US claims 18,117 of those)

**360** civilians killed per month under Trump

(compared with 80/month under Obama)

**5,117** minimum civilians estimated killed by coalition

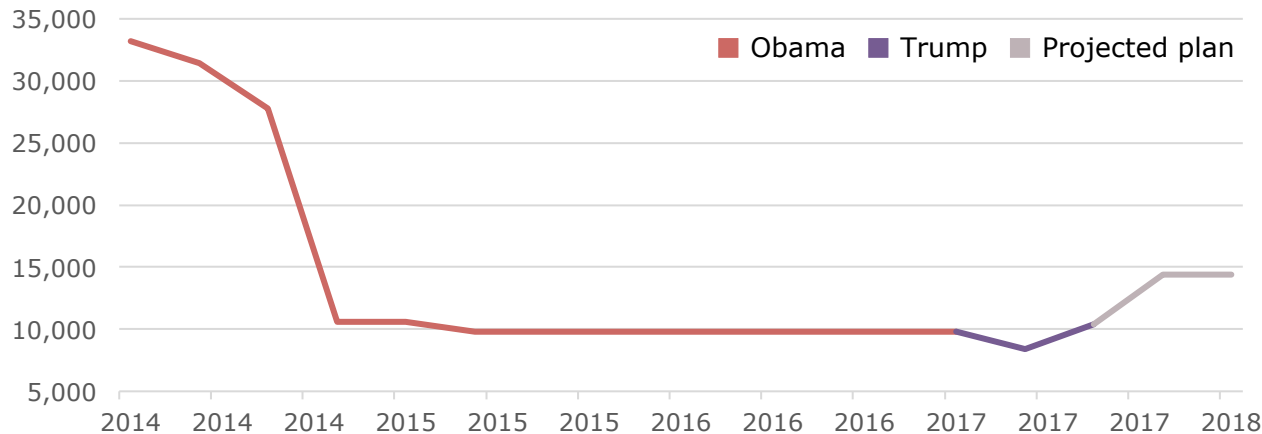
\*numbers as of August 29, 2017

Sources: Airwars Data, 2017; Samuel Oakford “Trump’s Air War Has Already Killed More Than 2,000 Civilians” The Daily Beast, July 17, 2017; Paul Szoldra “The Pentagon is no longer going to tell the public how many troops are in Iraq and Syria” March, 31, 2017; Thomas Gibbons-Neft and Kareem Fahim “US aircraft shoots down a Syrian government jet over northern Syria, Pentagon says” June 18, 2017; Department of Defense Special Reports, “Operation Inherent Resolve” 2017.



# Defense: Afghanistan

## Troop numbers in Afghanistan since 2014



### Trump comes to three conclusions about the war in Afghanistan

- The US must reach total victory in Afghanistan to honor the American forces that have fought in the 16-year war
- The US cannot exit quickly without consequences. Rapid withdrawal creates a vacuum for terrorists in the absence of Afghan leadership and territorial control
- Security threats from terrorist groups are too great for the US to leave Afghanistan, and the proximity of nuclear weapons in Pakistan and India warrants a US presence in the region

### The new strategy in Afghanistan and South Asia

- Continuation of Trump's new policy of not announcing dates of military operations or timetables for the US strategy
- Integration of all channels of American power including diplomacy, military and economic
- Continued support of the Afghan government and military fighting the Taliban, but no focus on nation-building
- Pressuring Pakistan to cease harboring terrorists and extremists
- Further developing the US relationship with India, and utilizing Indian assistance to develop Afghanistan's economy

Sources: The New York Times, "Full Transcript and Video: Trump's Speech on Afghanistan," August 21, 2017; Michael R. Gordon, "Trump's Strategy May Help in Afghanistan but Few Expect 'Outright Victory,'" August 21, 2017; National Journal Research, 2017.

## Defense: North Korean escalation

- August 7, 2017 ○ **Kim Jong-Un outraged by UN sanctions:** Responding to sanctions, North Korea threatens it will launch “thousands fold” revenge against the US
- August 8, 2017 ○ **North Korea said to have miniaturized warheads:** The Washington Post reports US intelligence officials’ assessment that the DPRK has successfully produced a miniaturized nuclear warhead to fit inside missiles
- August 9, 2017 ○ **Trump threatens “fire and fury”:** Trumps responds to North Korea’s threats saying, “They will be met with fire and fury like the world has never seen,” if they continue threatening the US
- August 10, 2017 ○ **Guam threatened with nuclear missiles:** Kim Jong Un threatens a missile strike on the U.S. territory of Guam in the South Pacific, where there is a key US military base with 3,831 military personnel, B-1 bombers and fighter jets
- August 10, 2017 ○ **DPRK announces plan to fire missiles into waters near Guam:** The head of North Korea’s strategic missile forces announced plans to fire four missiles into the waters surrounding Guam while simultaneously insulting Trump saying, “Sound dialogue is not possible with such a guy bereft of reason and only absolute force can work on him”
- August 11, 2017 ○ **Trump declares army prepared to respond:** President Trump tweets that military solutions are “locked and loaded” in case of North Korean attack
- August 21, 2017 ○ **Ulchi Freedom Guardian exercises:** The US and South Korea begin joint summer military exercises with 17,500 American troops. Mostly computer simulations, they will continue until August 31
- August 26, 2017 ○ **DPRK launches more missiles:** North Korea launches three short-range missiles into the sea between Japan and the Korean Peninsula

### The DPRK issues stamps to commemorate the successful Hwasong-14 ICBM launch



Credit: KCNA/Reuters

Sources: Sam Kim, “A Timeline of North Korea’s Missile Launches and Nuclear Detonations,” Bloomberg, April 15, 2017; Chloe Sang-Hun, “North Korea Fires Medium-Range Ballistic Missile,” New York Times, May 21, 2017; Jessica Durando, “North Korea, U.S. timeline: 13 days of increasing tension” USA Today, August 8, 2017; Neil Conner, “North Korea releases special stamps to mark test launch of missiles” The Telegraph, August 8, 2017; Jeremy Lin, Sarah Frostenson, Tyler Fisher, & Jon McClure, “Anatomy of a crisis: The North Korea threat,” Politico, August 12, 2017; Anna Fifield, “North Korea launches three missiles into sea, heightening tensions,” Washington Post, August 26, 2017

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## Week in Review Archive

# Energy & Environment: in eight months, Trump has made significant strides in reducing the regulatory burden

■ Completed ■ In progress ■ Stalled ■ No action



## Revive coal industry

- President Trump signed an executive order that starts the process of withdrawing and rewriting the Clean Power Plan



## Keystone XL and Dakota Access

- Both pipelines have now received all of the Federal-level permits required, but obstacles at the local level could hinder completion



## Reduce regulatory burden

- Through executive actions and congressional use of the CRA, several Obama-era rules have been repealed



## Open federal lands for extraction

- In late April, Trump signed an executive order that removed certain royalty fees assessed for energy extracted from federal lands



## Eliminate Waters of the U.S.

- The EPA and the Army Corps of Engineers are coordinating efforts to review the definition of “waters of the U.S.”



## Cancel Paris Climate Agreement

- On August 4<sup>th</sup>, President Trump delivered notice of the U.S. intention to withdraw to the UN

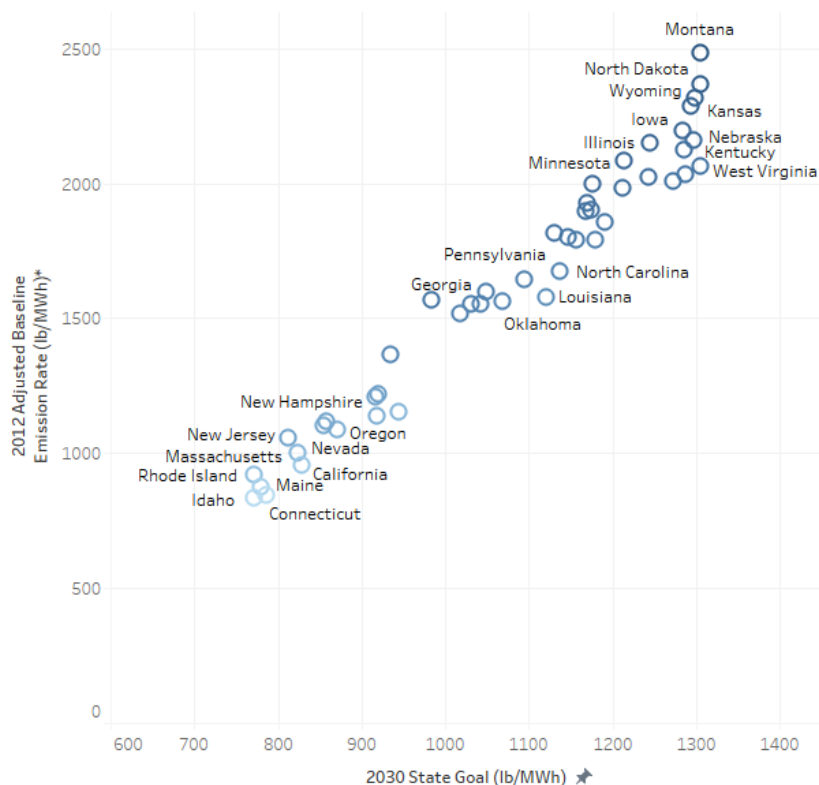
## What's next?

- When President Trump submitted notice to the UN that the U.S. would withdraw from the Paris Climate Agreement, he included a provision that the U.S. might remain if the deal was modified to better suit its interests
- Despite policy actions to revive the coal industry, market forces remain a major obstacle and direct intervention would likely be needed to achieve this goal
- Certain regulatory rollback initiatives by the Trump administration have run into trouble in the courts, including a methane rule that they said the administration did not have the power to delay while it was under consideration

# Under the Clean Power Plan, Montana had highest level of emission reductions among the states

## Emissions reductions mandated under the Clean Power Plan

Percent change in emissions



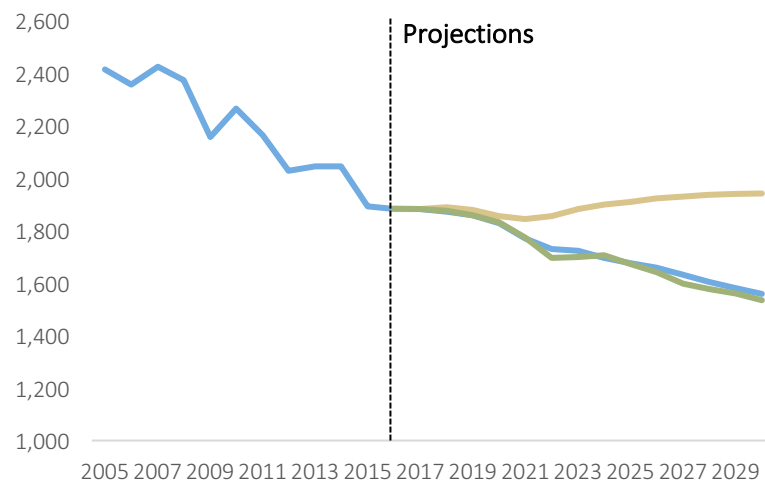
### Analysis

The Clean Power Plan established emissions reductions for all states and states were expected to develop their own plans for how to comply with them

- Estimates for greenhouse-gas emissions reductions under the Clean Power Plan were 32% , with most of the reductions coming from closed or enhanced coal-fired power plants

### Expected change in total U.S. emissions

■ Reference Case ■ CPP Rate ■ No CPP



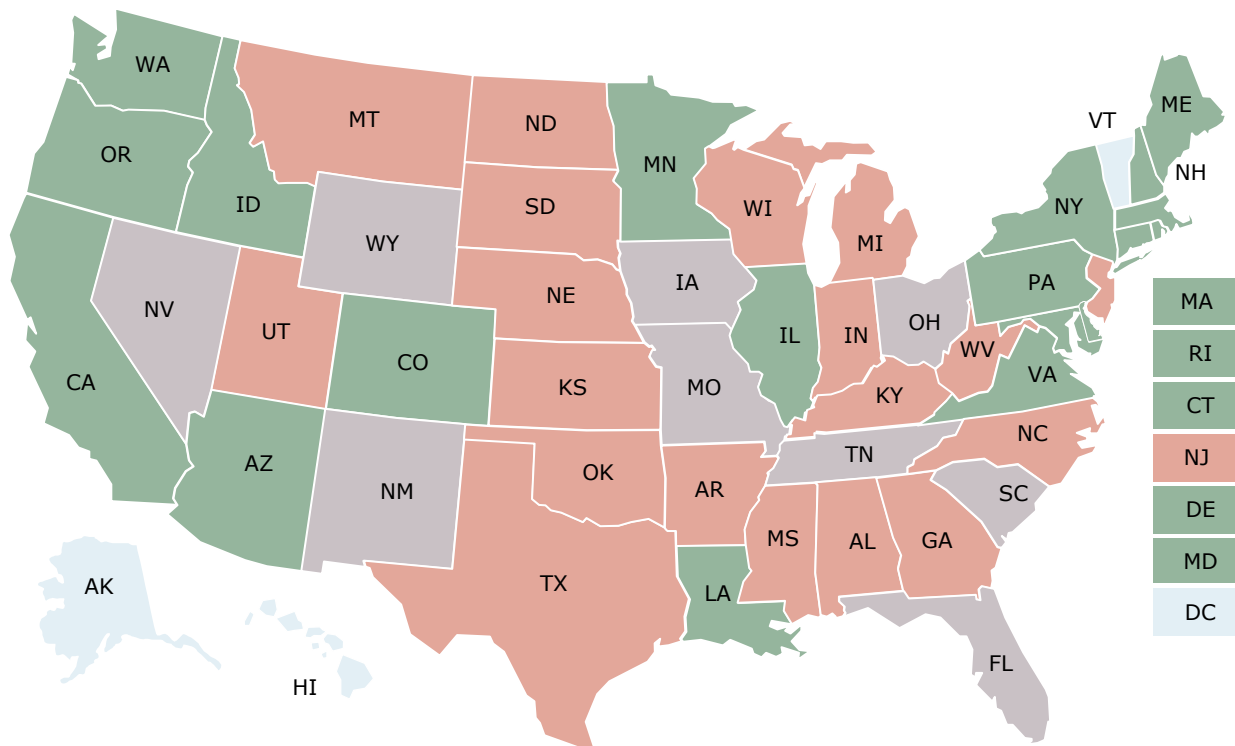
Sources: Energy Information Agency, 2017

# Several states have continued to develop plans for compliance, but many others have suspended or are still assessing

## Have states been planning for CPP implementation since Supreme Court stay?

Status of states and their preparation for the Clean Power Plan mandates

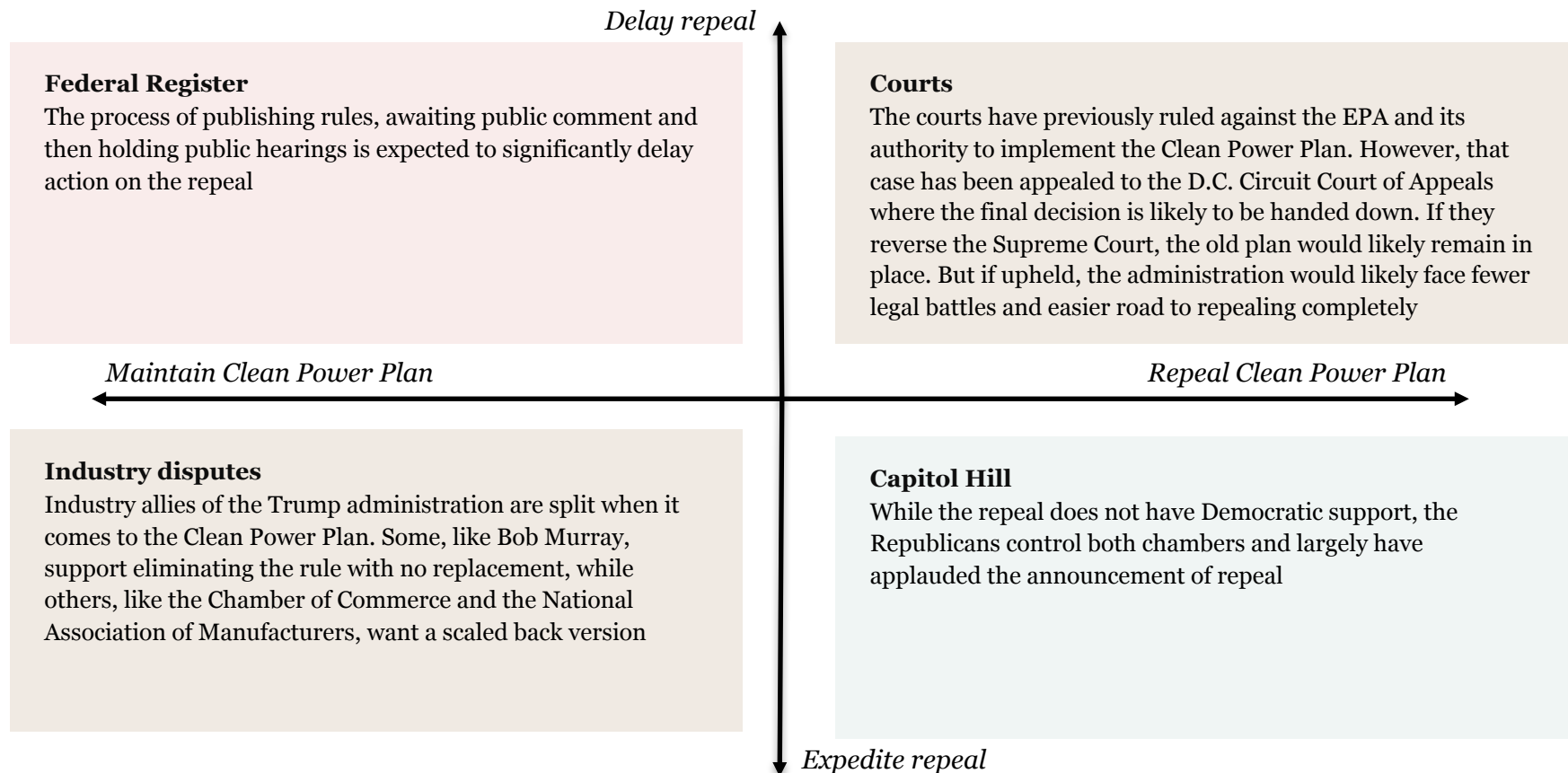
■ Continuing planning  
 ■ Assessing planning  
 ■ Suspending planning  
 ■ Exempt



Sources: E&E Publishing, Clean Power Plan Hub, 2017.

# A variety of factors are still in play since the administration announced a proposed rule to repeal the Clean Power Plan

## Four factors determining the future of the repeal of the Clean Power Plan



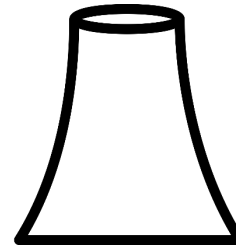
Sources: Energy Information Agency, 2017; Clean Power Plan, 2017.

# Goals presented by President Trump are both domestic and international in focus

Trump outlines six energy priorities during Energy Week



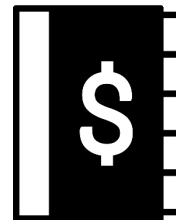
Increase American natural gas sales to South Korea



Call for a study on how to revive nuclear energy



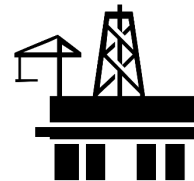
Approve an application for the export of natural gas from a terminal in Lake Charles, Louisiana



Change financial restrictions to ease the backing of overseas coal projects



Approve the construction of a pipeline from Texas to Mexico



Open up new areas in the Atlantic for offshore oil and gas leasing

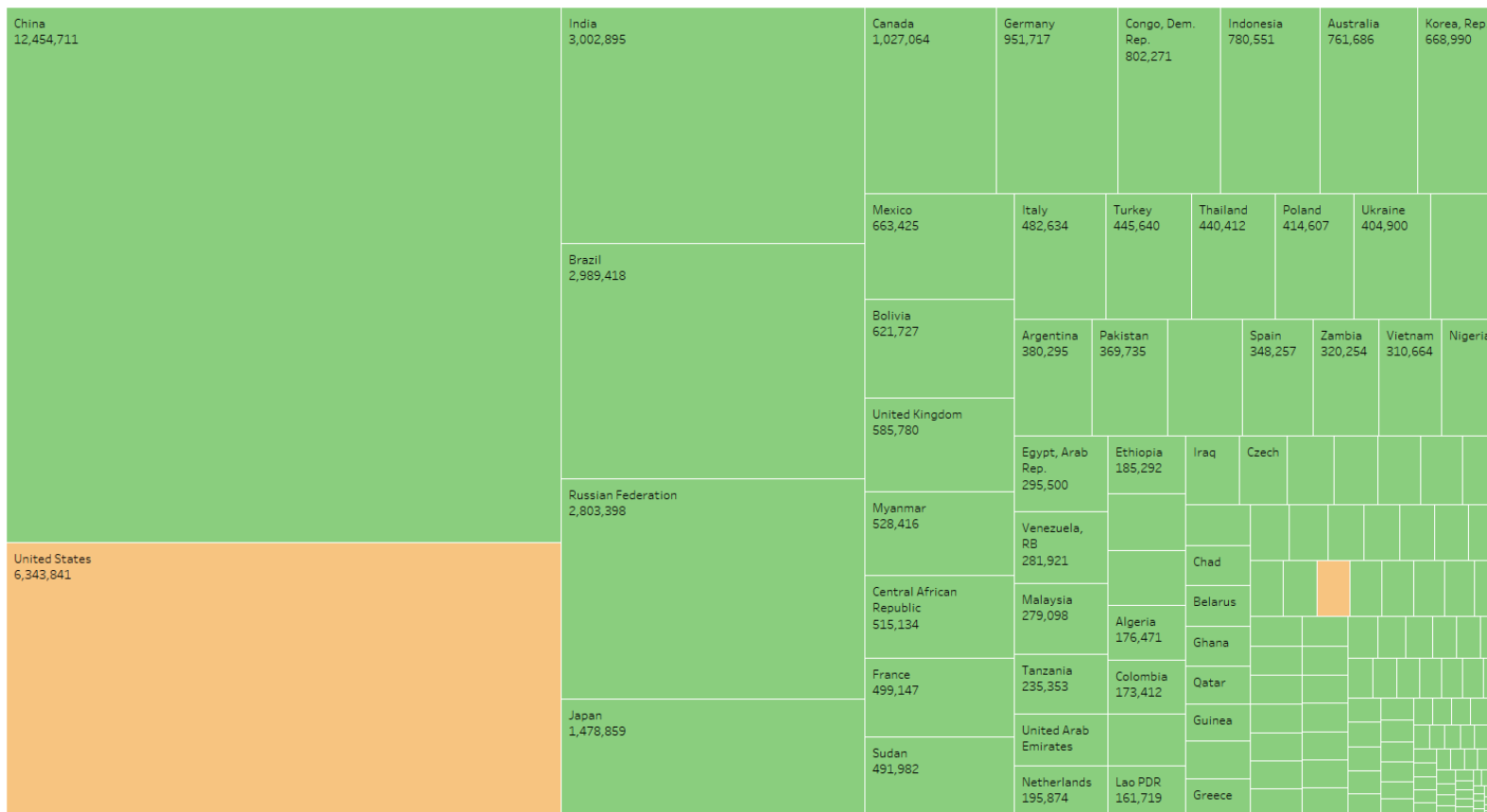
Sources: Geof Koss, "Energy bill on standby with healthcare, budget in flux," E&E News, July 10.



# U.S. leaves the Paris Climate Agreement and joins only two other countries, Syria and Nicaragua

Emissions levels by country and status as party to the Paris Agreement

■ Party to the Paris Agreement ■ Not a party



**Syria**  
In midst of civil war

**Nicaragua**  
Thought Paris didn't achieve enough

Country Name and sum of Emissions. Color shows details about Part of Paris. Size shows sum of Emissions. The marks are labeled by Country Name and sum of Emissions. The view is filtered on Exclusions (Country Name,Part of Paris), which keeps 176 members.

Sources: Geof Koss, "Energy bill on standby with healthcare, budget in flux," E&E News, July 10.

# President Trump hopes to relax financing restrictions on backing overseas coal projects

## Overseas coal projects and financing restrictions

### Current public institutions financing coal in 2016

*Billions of dollars*



### Trump's plan

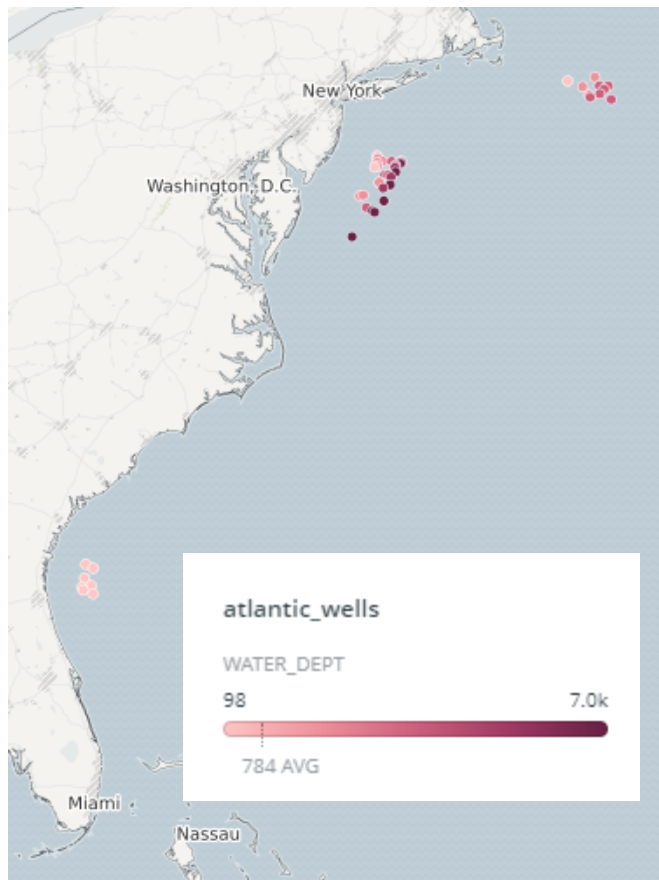
- President Trump plans to reverse a policy put in place by the Obama administration that restricted the ability of the Treasury Department to finance overseas coal plants
- This was done in conjunction with other international bodies, including the World Bank, so if Trump reverses the U.S.'s course of action, other entities could potentially follow suit
- Reversing this policy simply requires President Trump to withdraw the guidance that was created by the Obama administration

Sources: Geof Koss, "Energy bill on standby with healthcare, budget in flux," E&E News, July 10.

# President Trump hopes to expand offshore drilling, but exploration remains capital intensive

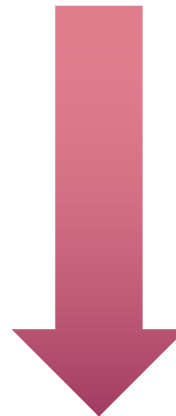
## Opening up offshore drilling opportunities

Atlantic offshore oil and natural gas wells, by water depth at well head



## New five year offshore drilling plan

- President Trump has promised a new approach including opening up the plans to public comment on June 20th
- In the meantime, the Bureau of Land Management will continue implementation of the Obama administration's offshore leasing plan, but will be rewriting it
- The Interior Department has also begun the process of expanding the areas of the Atlantic that are open to oil and gas exploration

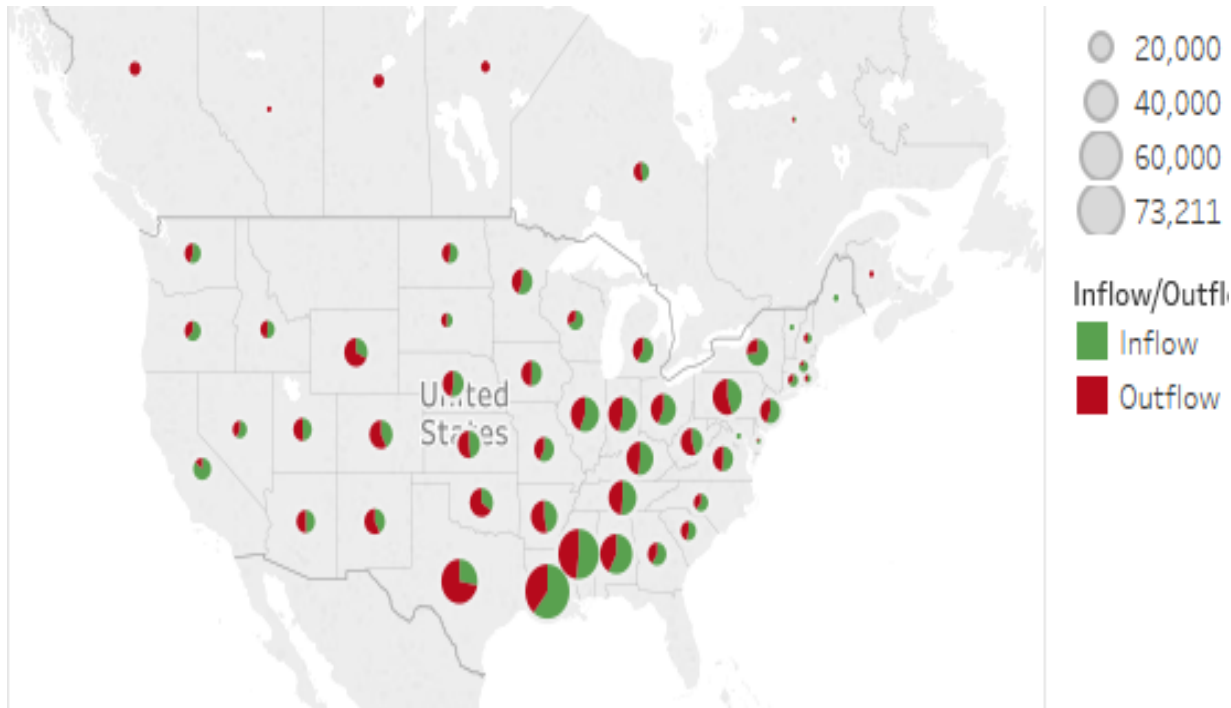


Sources: Geof Koss, "Energy bill on standby with healthcare, budget in flux," E&E News, July 10.

# A new pipeline approval would only bring an additional 108,000 barrels of refined oil products

## Construction of new petroleum pipeline to Mexico

Total MMcf/d inflow and outflow in each region including Canada and Mexico



### Trump's plan

- The State Department has jurisdiction over the approval of the pipeline application by Nustar Logistics
- On June 30th, the State Department approved a permit for the construction, connection, operation and maintenance of the pipeline facility
- The permit was for liquefied petroleum gas and natural gas liquids

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## Week in Review Archive

# Education: Trump administration has worked to deregulate public education, promote school choice

■ Completed ■ In progress ■ Stalled ■ No action



## Eliminate Common Core

- Trump promised to cut Common Core, but states, not the federal government, already have the power to opt into the program



## Increase funding for school choice

- Trump pledged some \$20 billion in federal funding for school choice programs
- Labor-HHS Appropriations Subcommittee and Senate Committee on Appropriations approved bill with no funding for private school vouchers



## Reduce student debt

- Trump promised on the campaign trail to reduce student debt and promote loan forgiveness
- The department reinstated large fees on defaulted student loan debt and revoked two consumer protection rules for students, which experts say may increase student debt



## Scale back Department of Education

- Trump's May budget proposal called for a \$9.2 billion cut to the Department of Education
- The administration has struggled to attract broad support for its proposed budget cuts



## Fund more charter schools

- Trump's education budget called for \$168 million for charter schools (a 50% increase)
- The administration has struggled to gain support for its proposed education budget



## Deregulate education mandates

- Trump ordered a review of the government's role in K-12 education, which is still ongoing
- The department overturned two rules mandating new teacher training and school performance standards

## What's next?

- **Congress will continue to debate** the president's proposed budget cuts to the Department of Education, which have been reduced from \$9.2 billion to \$2.4 billion; this bill has yet to be voted on in the full House
- **For-profit college:** Trump has signaled his support for a free market approach to public education, which DeVos may pursue going forward
- **Every Student Succeeds Act:** The first deadline for ESSA state plans was Apr. 3, and the second deadline was Sept. 18. 32 states declared that they would submit their plans by the Sept. 18 deadline; the Department of Education has begun reviewing these state plans

Sources: "Promises about Education on Trump-O-Meter," Politifact; Lauren Camera, "Trump Promises to Spend Big on Education Weeks After Proposing Billions in Cuts," US News, Apr. 4, 2017; Michael Hansen et al., "Reflecting on education policy during Trump's first 100 days—and predicting what's next," Brookings Institute, May 2, 2017; "ESSA State Plan Submission," US Department of Education; Andrew Ujifusa, "With White House Backing, Senate Overturns ESSA Accountability Rules," EdWeek, Mar. 9, 2017; Danielle Douglas-Gabriel, "House Republicans at odds with Trump's proposed higher education cuts," Washington Post, Jul. 19, 2017; Miranda Marquit, "President Trump's First 100 Days: Student Loan Edition," Student Loan Hero, Apr. 26, 2017; Mercedes Schneider, "Senate appropriations has no funding for Betsy DeVos' private school voucher hopes," Huffington Post, Sept. 10, 2017.

# Trump's Department of Education: first six months

## DeVos' and the Department of Education's major actions and stances



### Feb. 22: Backed the rescission of transgender students' bathroom rights, though not initially

The Trump administration withdrew Obama-era protections for transgender students in public schools that let them use facilities corresponding to their gender identities. DeVos publicly supported the withdrawal, but was initially opposed, believing it would undermine Trump's promises to protect students.



### May 23: Administration proposes \$9.2 billion cut to Education Department

The cut represents 13.5% of the department's existing budget, and targets the Supporting Effective Instruction program (\$2.3 billion cut), subsidized student loans (\$1.05 billion cut) and other programs.



### Mar. 16: DeVos' department reinstated large fees for borrowers who default

The Education Department rescinded an Obama-era rule that prohibited student loan guaranty agencies from collecting large fees from defaulted borrowers who quickly resume payments.



### Jun. 6: Released new guidelines for transgender students' rights protections

The memo, written by Acting Assistant Secretary for Civil Rights Candice Jackson, lists instances in which officers have specific jurisdiction, as when a district fails to fix a hostile environment. The memo does not mention the denial of a transgender student's bathroom usage, a controversial issue, and it states that complaints could go forward or be dismissed based on jurisdiction.



### Apr. 30: Implemented initiative to increase access to Pell grants

Congressional leaders expanded Pell grant accessibility to include low-income students attending classes all year, giving some 1 million students an additional award of \$1,650.



### Jun. 14: The department began disassembling two consumer protection rules

One of the rules, on gainful employment, holds non-degree career education programs accountable when graduates have too much debt. The other, on borrower defense, allows student borrowers defrauded by institutions to receive loan forgiveness.

Sources: Joy Resmovits, "DeVos' new transgender student guidance changes course on bathroom access cases," LA Times, Jun. 16, 2017; Lydia Wheeler, "DeVos charges ahead on school choice," The Hill, Aug. 16, 2017; Ariane de Vogue et al., "Trump administration withdraws federal protections for transgender students," CNN, Feb. 23, 2017; Michael Stratford, "Budget deal would restore year-round grants," Politico, May 1, 2017; Andrew Kreighbaum, "Reset of Rules Aimed at For-Profits Begins," Inside Higher Ed, Jun. 15, 2017; Vaerlie Strauss, "Like it or not, Betsy DeVos has made a mark in six months as education secretary," The Washington Post, Aug. 14, 2017.

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## Week in Review Archive



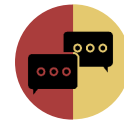
# Finance: Trump is setting the stage for a wave of financial deregulation

■ Completed ■ In progress ■ Stalled ■ No action



## Dismantle Dodd-Frank

- The Financial CHOICE Act, which would roll back many Dodd-Frank provisions, passed in the House on June 8, 2017
- Federal agencies are discussing rewriting the Volcker rule and reviewing bank stress tests



## Repeal the fiduciary rule

- The best-interest core principle of the rule was implemented in June 2017
- The DOL has proposed an 18-month delay to July 2019 after President Trump ordered a review of the rule's economic impact



## Repeal the CFPB arbitration rule

- The rule was completed in July 2017
- Republican lawmakers are using the Congressional Review Act to try to overturn the rule; the House voted to repeal it in July
- The Equifax data breach and Wells Fargo fraud scandal could hurt Republicans' chances of repealing the rule



## Glass-Steagall

- Though Trump has stated he plans to bring back Glass-Steagall, to date there has been no significant action on that front

## What's next?

- So far, Trump has not been able to roll back major Wall Street regulations as he promised, in part because many of his nominees for regulatory posts were only recently confirmed or are still awaiting confirmation
- While the passage of the Financial CHOICE Act in the House was a step forward for the administration, analysts believe it is unlikely to move forward in the Senate in its current form
- Trump's nominee for vice chairman of the Fed, Randal Quarles, has expressed support for reviewing the Volcker rule and easing the central bank's annual stress tests of large financial institutions
- Following his confirmation as chairman of the SEC, Jay Clayton has proposed easing regulatory burdens on public companies
- The Senate will vote on the repeal of the CFPB's arbitration rule in September, but Republicans may face difficulty in overturning it as they will need near-unanimous support

Sources: Ryan Tracy and Dave Michaels, "Trump Chips Away at Postcrisis Wall Street Rules," The Wall Street Journal, August 13, 2017.

# Financial regulatory reform under the Trump administration

## Overview of Treasury Secretary Mnuchin's financial regulatory policy recommendations



**Reduce regulatory burden for community banks**



**Volcker Rule repeal/reform**



**Reduce restrictions on capital requirements and risk-taking**



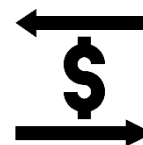
**Reform small business lending**



**Ease mortgage lending requirements**



**Weaken the authority and influence of the CFPB**



**Standardize foreign banking operations**



**Reform living will regulations**

Source: US Department of the Treasury, "A financial system that creates economic opportunities," June 13, 2017; Jeremy Venook, "The House Takes Another Step Toward Repealing Dodd-Frank," The Atlantic, June 9, 2017.

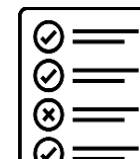
# Community banking reform is one of the key areas where Republicans and Democrats could compromise

## Where could Democrats and Republicans compromise on the CHOICE Act?



### Community banking reform

Both Democrats and Republicans believe in regulatory relief for smaller, community banks. Legislation has been introduced in the Senate that protects smaller banks from complex and burdensome regulations that hinder community banks' ability to meet the credit needs of their customers



### Stress test reform and regulatory exemption

Some Senate Democrats, particularly those in states won by President Trump, have indicated they would be willing to work with Republicans to pass bills that would exempt banks with \$10-50 billion in assets from the Fed's annual stress tests



### Consumer Financial Protection Bureau

While Democrats are unified in their opposition to dismantling the CFPB's authority, they may be willing to strike a deal to restructure the bureau so that it becomes a bipartisan commission



### SEC penalties

Several bipartisan bills expanding the SEC's ability to increase penalties and protect investors have been introduced in the Senate



Source: American Banker, "Three Dodd-Frank changes that could actually pass Congress," June 7, 2017; ICBA, "ICBA supports Hatch-King Nelson bill promoting community bank capital," May 30, 2017; Financial Regulation News, "Sen. Collins bill would exempt community banks from unnecessary regulations," June 7, 2017.

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## Week in Review Archive

# Health care: efforts to repeal and replace Obamacare stalled; Congress now tackles stabilizing insurance markets

■ Completed ■ In progress ■ Stalled ■ No action



## Repeal and replace ACA

- The most recent attempt to repeal and replace the ACA comes in the form of the Graham-Cassidy bill
- This bill proposes shifting Medicaid to a block grant and reduce funding for the program by 35% by 2036



## Drug pricing

- Congress passed the FDA Reauthorization Act, allowing the FDA to continue collecting user fees
- User fees help fund the drug approval process, so this act is expected to speed up the process and thus lower drug prices



## The opioid crisis

- President Trump has not yet allocated funding to fight the opioid crisis



## Trump's HHS confirmations

- Jerome M. Adams has been confirmed as the surgeon general
- There are still 10 positions for which people have not yet been appointed or nominated



## CSR payments

- President Trump has agreed to make the August 2017 CSR payment
- No statement has yet been issued on whether or not these payments will continue in the future

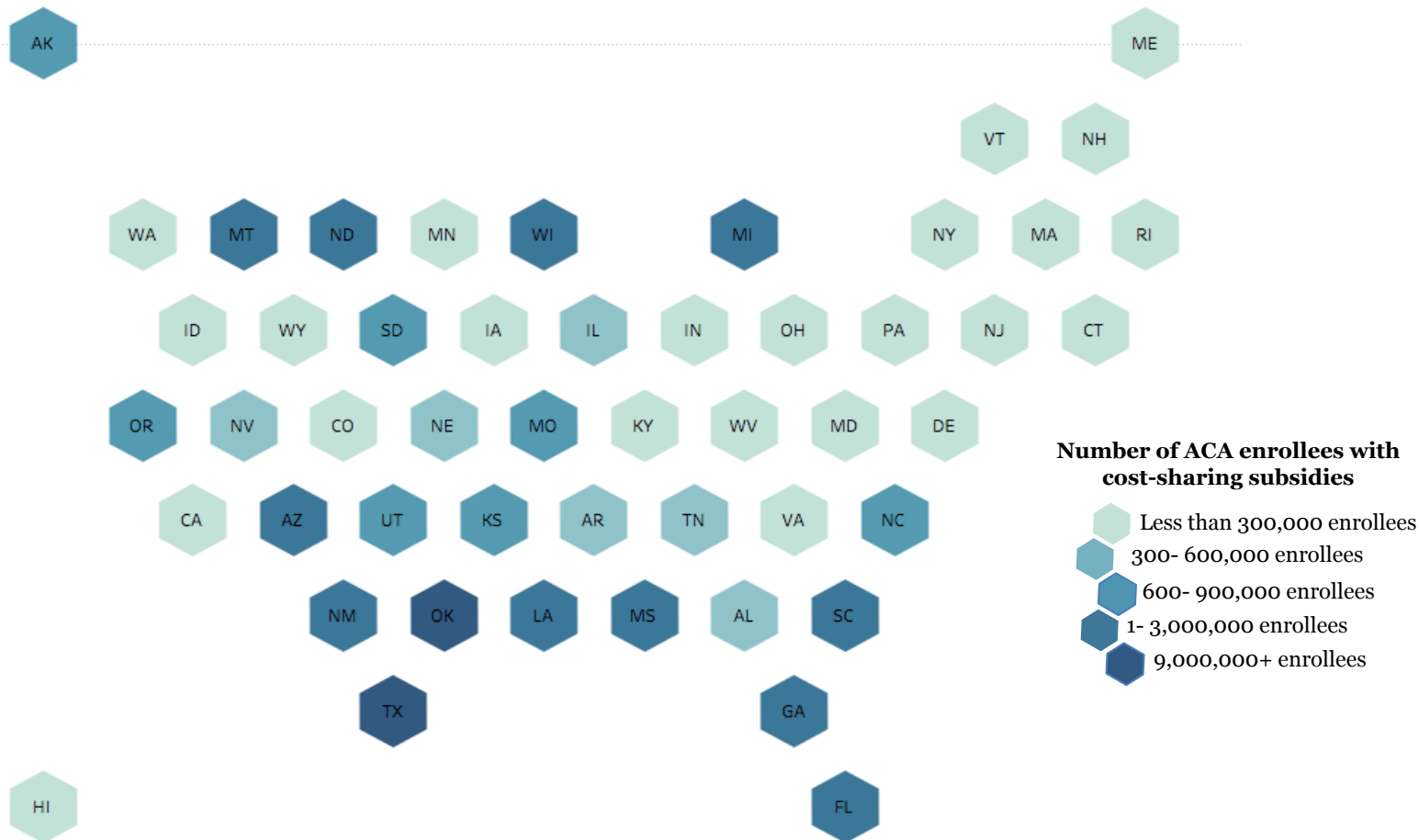
## What's next?

- Congressional leaders on both sides of the aisle support finding a bipartisan solution to stabilizing the ACA marketplaces, and a House bipartisan "problem solvers" caucus has outlined potential policy changes to bring down premiums and shore up the marketplaces
- HHS has announced their decision to reduce funding for ACA marketing by 90%, from \$100 million to \$10 million for the 2017-2018 enrollment season
- President Trump can invoke one of two laws in order to free up funding to fight the opioid crisis, either the Stafford Act or the Public Health Service Act
- As of September 19, 2017, all counties in the U.S. had at least one ACA Marketplace insurer
- Congress has a deadline of September 30, 2017 to pass the Graham-Cassidy or any other health care reform using budget reconciliation

Sources: National Journal Research, 2017

# Trump halting CSR payments would cause red states to see the biggest increase in premiums

Number of individuals benefitting from cost-sharing subsidies



Sources: Centers for Medicare & Medicaid Services

# President Trump to issue executive order allowing for association health plans

Association health plans (AHPs) allow individuals and small business to come together to purchase health insurance

**Proponents of the executive order claim that the AHPs will not be bound by ACA regulations** to offer insurance policies with a specific set of benefits that cover everyone, regardless of health status

**Conservatives have supported AHPs**, claiming that they will boost competition and lower premiums



Although the move aims to enable individuals and small businesses to get insurance through ACA-exempt associations, health policy experts say that in order **for this to happen, “they would have to twist current laws into a pretzel”**



The **National Association of Insurance Commissioners** has long opposed AHPs, claiming that they can operate outside of some state consumer protection laws

The insurer **Blue Cross Blue Shield** opposes AHPs, claiming that they would “skim off healthier consumers and leave traditional insurers with sicker, more expensive customers”

- This would result in much higher premiums for individuals covered by ACA insurers

## Trump’s proposal would:

1. Direct federal agencies to expand access to AHPs
2. Allow individuals to purchase insurance plans across state lines
  - Currently, insurance markets are regulated at the state level
3. Extend the amount of time that individuals can have short-term plans for
  - Short-term plans typically cover less than what the ACA mandates. Under Obama, individuals could purchase these plans for up to 90 days in order to make up for unexpected coverage gaps

The senior advisor for government relations at the **Society for Human Resource Management** has supported AHPs, saying they will give small employers additional options to provide competitive and affordable health benefits for their employees

**Sen. Rand Paul (R-KY)** has long been a supporter of AHPs, claiming that they will “solve a lot of problems in the individual market”

# Actions the administration could take to undermine the ACA



## Defund cost-sharing reduction payments to insurers

- Trump is expected to make decision on whether to continue payments
  - The payments were made for August, but will Trump continue to make them going forward?
- These payments are approximately \$7 billion this year -- making up about 15% of all federal subsidies
- A federal district court ruling last year states that Congress must take the reins if the Trump administration doesn't continue making the payments
- Important dates: September 5th deadline to finalize premiums for next year

## Support for continuing CSR payments

- On the insurers side, there is a mutual understanding that guaranteeing funding for the CSR payments would improve and stabilize the marketplace
- Democrats & moderates want to keep the payments

## Opposition to continuing CSR payments

- GOP congressional leadership hasn't showed much interest in continuing the payments either
- Mitch McConnell: without real health care reform, he and his GOP colleagues have said they aren't interested in "bailing out" insurers



## Weaken the individual mandate

- Decision to weaken the individual mandate would come from HHS and Tom Price
- One way is through the IRS. That individual mandate is about tax incentives — fail to get insurance, and you have to pay a penalty
  - The Trump administration can decide not to enforce that penalty



## Inaction

- Trump could choose to run the clock out on the ACA
- The administration and HHS are not actively trying to enroll people in the market or advertise
- The main problem with the ACA in its current state is the uncertainty
  - Will insurers have to increase their premiums?



# Possible fixes to the Affordable Care Act



## Graham-Cassidy proposal

- Eliminates subsidies for private insurance and ends the Medicaid expansion
- Cuts Medicaid funding by 35%
- Federal government would convert spending into a block grants
- States could choose to spend this money on providing insurance or to fund high-risk pools
  - States have to pay a small percentage themselves, starting at 3% in 2020 and increasing to 5% by 2025



## The House Problem Solvers Caucus solutions

- Continue cost-sharing reduction payments
- Create stability fund for states to lower premiums and limit losses for insurers
  - Both Senate and House bill had this policy proposal
- Exempt small businesses from the ACA employer mandate that taxes any businesses with more than 50 employees
  - The caucus would change the number of employees to 500
- Repeal the medical device tax
- Provide clear guidelines and regulations that allow insurers to sell across state lines

- *Faces opposition from Republicans*
- *Faces opposition from Democrats*
- *Likely to be a bipartisan agreement*



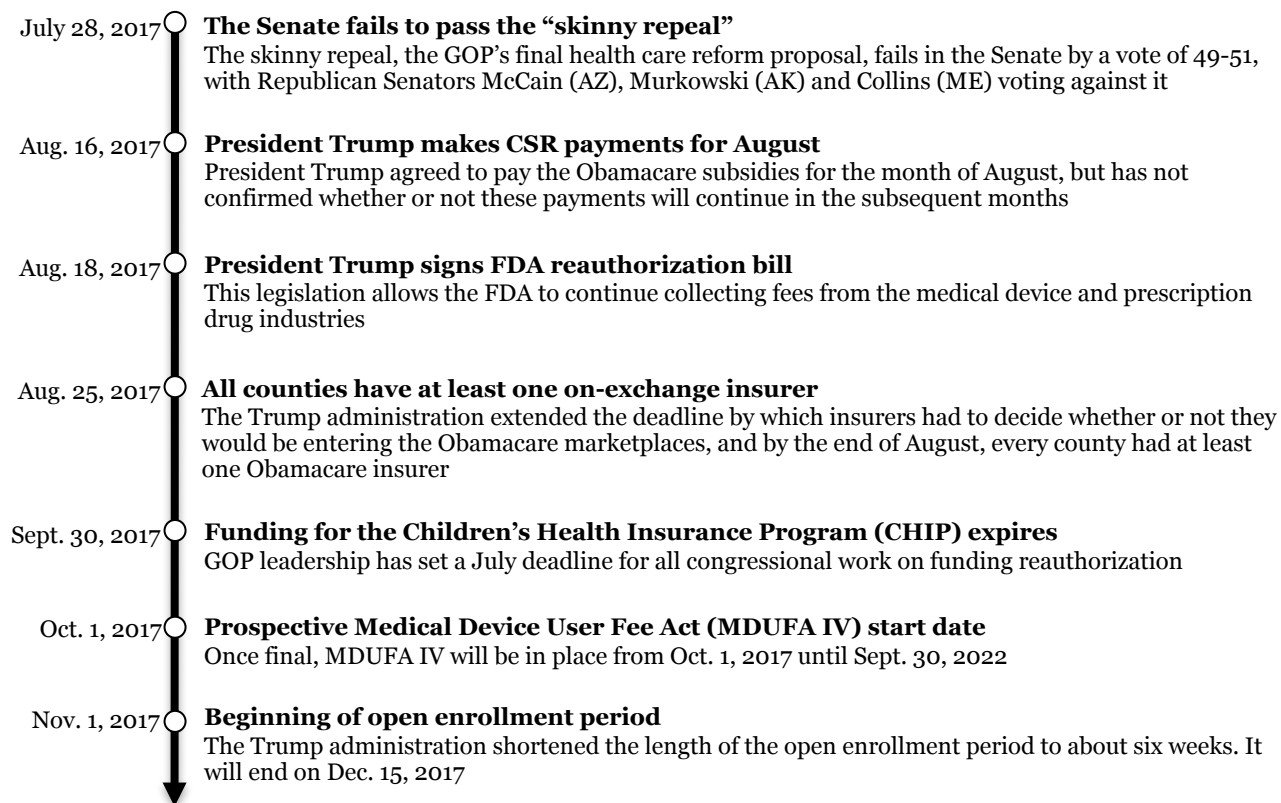
## Senate Health, Education, Labor and Pensions Committee

- The committee plans to hold hearings to design legislation to boost insurer participation in the individual health insurance market
- HELP Committee Chairman Sen. Lamar Alexander (R-Tenn.) has said he wants a one-year appropriation of CSR payments
- Democrats are expect to push for a multi-year approval of the payments

Sources: National Journal Research, 2017; Politico, July 29, 2017; Center on Budget and Policy Priorities, July 21, 2017.

# The GOP has been unable to pass health care reform legislation, but Obamacare markets may still be in trouble

## Key health care dates and deadlines



### Other issues with unspecified timeline

- Pharmacists have made **reforming direct and indirect remuneration (DIR) fees** a priority for 2017
- Legislation **reducing the cost of prescription drugs** is popular with constituents; however, at present no such legislation is set to pass through both chambers of Congress
- President Trump has acknowledged the severity of **the opioid crisis**, but he has not yet invoked any legislation to allocate funding to fight the epidemic

Sources: National Journal Research, 2017.

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## Week in Review Archive

# Immigration: Trump has made progress on his promises regarding immigration, but not without significant setbacks

■ Completed ■ In progress ■ Stalled ■ No action



## End DACA

- Trump ordered an end to the Obama-era program, which shields undocumented children from deportation
- He then ordered Congress to legalize DACA



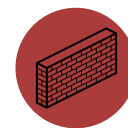
## Ban on travel from “high risk” countries

- SCOTUS reinstated Trump’s travel ban but said “close family members” of US citizens could stay
- On Sept. 24, Trump announced a new travel ban, adding three new countries to the list but dropping Sudan



## Prohibit federal funding to sanctuary cities

- Trump’s executive order seeking to withhold funds from sanctuary cities was blocked by a federal judge



## Build a border wall

- Trump has not yet successfully attached funding for the border wall to any legislation



## Remove illegal immigrants

- The Trump administration is working with local sheriffs on a plan to channel illegal immigrants from local jails to federal detention facilities



## Reform legal immigration

- The Trump administration is working with Tom Cotton and David Purdue to support the RAISE Act, which would cut legal immigration by 50%

## What’s next?

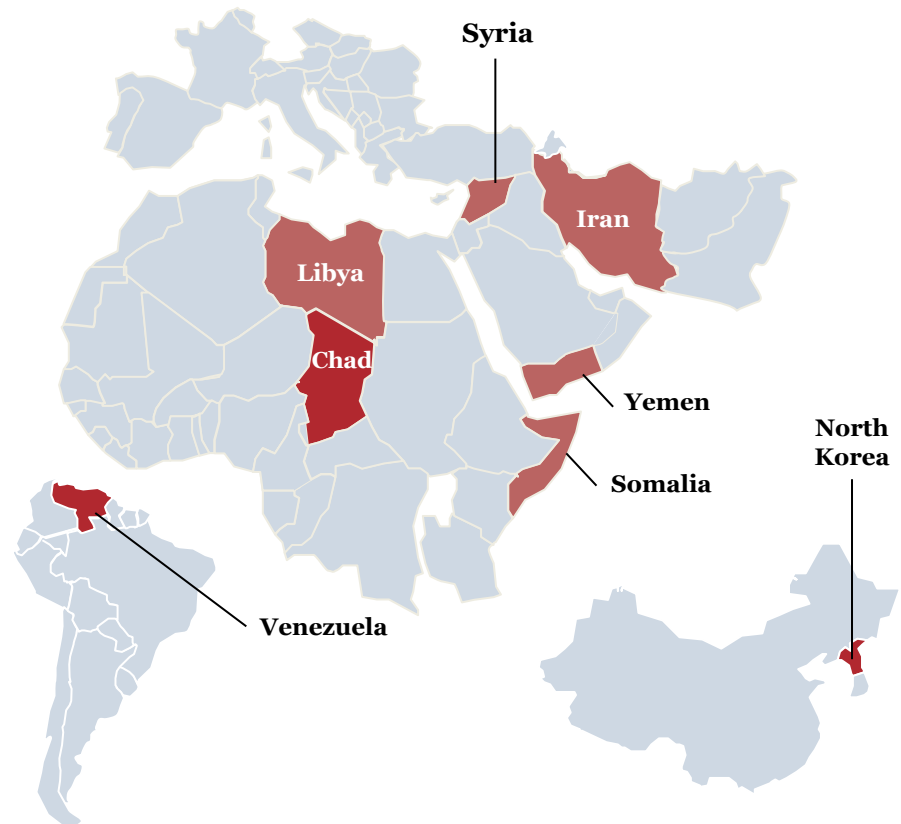
- Although the Trump administration announced that DACA would be phased out, they said they would continue to renew permits for the next 6 months, giving Congress until March 5, 2018 to act on legalizing the program before DACA recipients lose their status
- The battle over sanctuary city funding and the implementation of the travel ban will be litigated in court over the coming months
- Following the compromise with Democratic congressional leadership, Trump’s pursuit of funding for the border wall has been pushed back in favor of other priorities
- With the departure of Steve Bannon, Trump’s chief strategist and an ardent supporter of hard-line immigration reform, there may be an opening for more moderate voices on immigration

# Trump's new travel order adds North Korea, Chad, Venezuela to list of affected countries, but drops Sudan

■ Countries targeted by revised travel order, partially implemented Jun. 2



■ Countries targeted by Sept. 24 travel order – carried over from Jun. 2 ban (■) and newly affected (■)



Sources: Kevin Lui, "President Trump added three new countries to his travel ban. Here's what to know about them," Time, Sept. 24, 2017; Michael D. Shear, "New order indefinitely bars almost all travel from seven countries," NYT, Sept. 24, 2017.

# An overview of Trump's Sept. 24 travel ban

## Who is affected and how?



### Countries affected by the new executive order

The majority of citizens from Iran, Libya, Syria, Yemen, Somalia, Chad and North Korea will be banned from entering the US. Iraqi and Venezuelan citizens will face heightened scrutiny and restrictions.



### Ban is more far-reaching than the March ban

While Trump's March travel ban suspended travel from seven Muslim-majority countries for 90 days, this ban imposes permanent restrictions on travel.



### Countries dropped and added to the ban

For Chad, Venezuela and North Korea, Trump's proclamation suggested that they had been added because of those countries' inadequate information-sharing and/or a lack of cooperation with the US; for example, it stated that Chad would be included in the ban because it "does not adequately share public-safety and terrorism-related information."

Sudan was dropped from the ban, which administration officials said was because the country's cooperation with the US had improved.

### Each country will have its own restrictions

-  **Iran** will be able to send its citizens on student exchanges, but they will be subject to more screening.
  -  Certain government officials of **Venezuela** and their families will be barred from entering the US.
  -  Citizens of **Somalia** will not be allowed to emigrate to the US, although they may visit, with enhanced screening.
  -  All **Syrians** will be blocked from emigrating to or visiting the US.
  -  All **North Koreans** will be blocked from emigrating to or visiting the US.
- Most citizens of **Chad, Libya and Yemen** will be blocked from emigrating to or visiting the US, allegedly because those countries don't have the technical ability to screen their travelers. However, many critics are unsure why some countries were included, such as Chad, which has been an important antiterrorism ally in the region.



# Sessions announces end of DACA, GOP members propose replacement bills

Deferred Action for Childhood Arrivals (DACA) protects immigrants brought to the US as children



## The administration will phase out DACA

On Sept. 5, Jeff Sessions announced that the Trump administration would be phasing out the DACA program over the next six months.



*“We are people of compassion, and we are people of law, but there is nothing compassionate about the failure to enforce immigration law.”*

— Jeff Sessions, on cutting DACA

The announcement came only a few hours after Trump tweeted about DACA:



*“Congress, get ready to do your job - DACA!”*

— Trump, on Twitter, Sept. 5, 2017



## DACA replacement bills gaining GOP support

**The Bridge Act**, introduced by Rep. Mike Coffman (R-CO), would extend DACA for three years. The Bridge Act’s Senate companion is co-sponsored by Sen. Lindsey Graham (R-SC) and Sen. Richard Durbin (D-IL). Sen. Graham and Sen. Durbin say they likely have the support to pass, but Rep. Coffman will need the votes of 23 Republicans and every House Democrat. His bill currently has 12 Republican co-sponsors.



Rep. Coffman has said he’ll use file a rare “discharge petition” in Congress on Tuesday, Sept. 5, to force the House to vote on the Bridge Act.



**Recognizing America’s Children Act**, sponsored by Rep. Carlos Curbelo (R-FL), has 18 Republican co-sponsors. Sen. Thom Tillis (R-NC) is drafting a companion Senate bill. RACA would provide a path to citizenship for young undocumented immigrants.

### What now?

- The government will not accept new applications for DACA protections from undocumented immigrants
- DACA beneficiaries could face deportation as soon as March of 2018
- Some GOP members, with Democrats’ backing, will seek broader support for replacement bills

Sources: Eric Garcia, “Coffman wants to force vote on Bridge Act,” Roll Call, Sept. 5, 2017; Michael D. Shear & Julie Hirschfeld Davis, “Trump moves to end DACA and calls on Congress to act,” NY Times, Sept. 5, 2017; David Nakamura et al., “Paul Ryan, other GOP congressional leaders urge Trump not to terminate DACA,” Washington Post, Sept. 1, 2017.

# Funds for Trump’s border wall are a sticking point for Democrats and will likely not be appropriated this year

## Border wall progress to date and continuing timeline



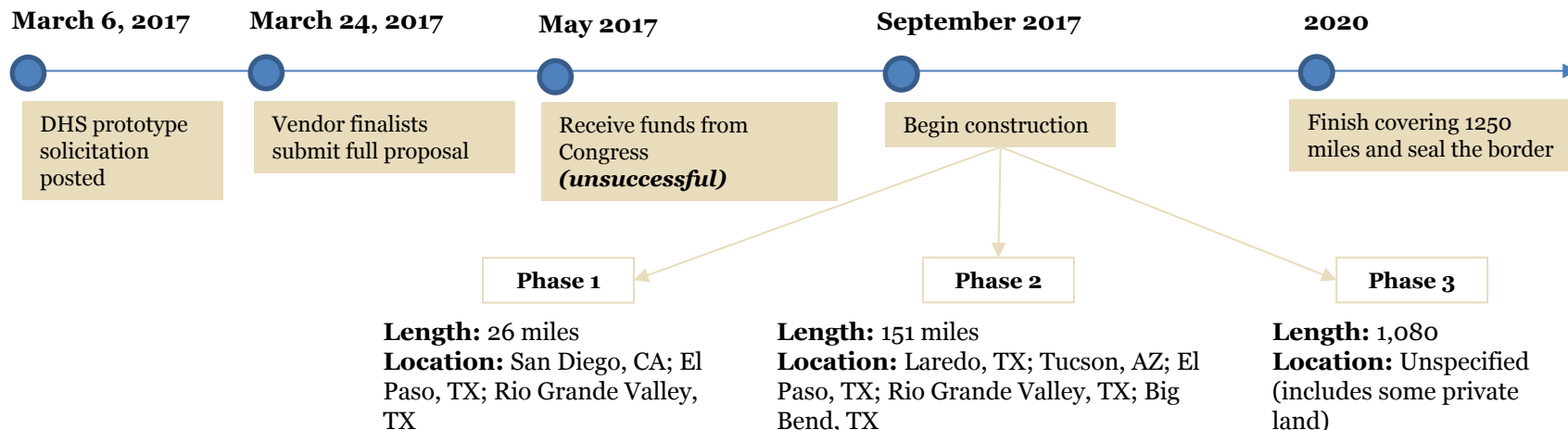
### In progress:

- The government has begun seeking waivers to environmental laws that apply to construction in certain areas of the border
- Plans for steel purchases and deals with contractors are in negotiation
- DHS has diverted \$20 million from existing funds and resources to begin construction
- 230 companies submitted proposals to build border wall prototypes



### Potential problems:

- Portions of the wall will need to be built on private land, so the Trump administration will have to go to court to seek eminent domain to acquire the land
- The U.S. and Mexico have a pact over shared waters that the government would have to abide by, which could bring the cost up from \$11 million per mile to \$15 million
- Secretary of Homeland Security John F. Kelly told members of Congress that the creation of a full wall on the border is unlikely



Sources: National Journal Research, 2017.



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## Week in Review Archive

# Infrastructure: Trump still has yet to provide details on a comprehensive bill, has only addressed pipelines

■ Completed ■ In progress ■ Stalled ■ No action



## Approve permits for Keystone XL and Dakota Access pipelines

- Despite Trump's "America First" platform, Keystone XL was allowed to proceed without using American steel



## Comprehensive infrastructure bill

- Trump has released few details on his infrastructure proposal even though it was on his list of priorities for his first 100 days.
- Congressional leaders have signaled that infrastructure will take a back seat to health care and tax reform



## Streamline infrastructure approval process

- In August, Trump passed an executive order to roll back the Federal Flood Risk Management Standard: an Obama-era environmental standard that required federally funded projects to account for climate change



## Privatize air traffic control

- Trump unveiled his plan to privatize air traffic control in June
- The proposal was met with mixed reaction in the House and was rejected by a Senate panel while crafting FAA reauthorization legislation

### What's next?

- House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) plans to advance a spinoff proposal for air traffic control privatization after Congress passes FAA reauthorization legislation

Sources: Tory Newmyer and Damian Paletta, "Trump backs off vow that private sector should help pay for infrastructure package Jeffrey Cook," Washington Post, September 26, 2017; "What privatizing air traffic control could mean, as Trump outlines proposal," ABC News, June 5, 2017; Lisa Friedman, "Trump signs order rolling back environmental rules on infrastructure," NY Times, Aug. 15, 2017; National Journal Research, 2017.

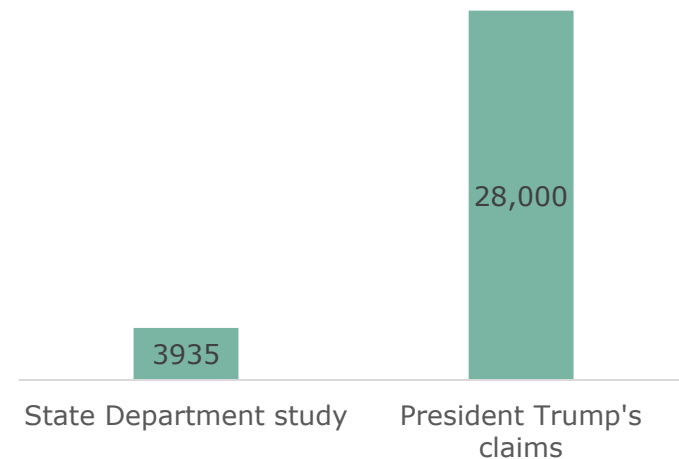
# After being rejected by the Obama administration, Keystone XL receives permit from President Trump



## Details on the permit and potential next steps

- Jan. 24, 2017 ○ **President Trump signs executive order**  
Directs TransCanada to resubmit their application for the Keystone XL pipeline
- Jan. 26, 2017 ○ **TransCanada submits new application**  
Two days after President Trump took action on the approval process, the company announced it had submitted a new permit application to the U.S. State Department
- Mar. 24, 2017 ○ **President Trump awards permit to TransCanada**  
The company promised that with the permit they would increase the amount of U.S. steel they used to complete the project

## Jobs provided by the pipeline



## Analysis

- TransCanada owns the pipeline, a multibillion-dollar project that could bring 800,000 barrels of heavy crude from the tar sands of Canada into Nebraska, linking Canadian oil to ports and refineries in the U.S.
- The project has been controversial for years, and the Obama administration rejected its permit request in 2015 based on a State Department study and NEPA review
- The Canadian government is enthusiastic about the possibility of increased economic opportunities for Canadian natural resources

Sources: Jeff Mason and Ethan Lou, "Trump greenlights Keystone XL pipeline, but other obstacles loom," The Guardian, March 24, 2017; Meenal Vamburkar, "Keystone Pipeline gets Trump approval as new roadblocks loom," Bloomberg Markets, March 24, 2017.

# Trump's infrastructure plan originally aimed to leverage private investment, has changed to direct federal funding



## Trump's infrastructure first plan



### 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

## How will this be funded?

- Trump's original plan aimed to attract new private infrastructure investments through a deficit-neutral system of tax credits that would offset costs with revenue from new wages to construction workers and contractors
- In a September meeting with legislators, he "emphatically rejected what everybody assumed was his position relative to financing infrastructure"
- Instead, Trump suggested using direct federal spending, paying for projects with new tax revenue or taking on debt

## When will we see an infrastructure bill?

- Despite being an integral piece of Trump's plan for his first 100 days in office, infrastructure has not been a focus for Trump's presidency so far
- Congress has said they plan to address infrastructure after health care and tax reform which likely means a bill won't be crafted until late 2018 or 2019

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's FY18 budget proposal provided more details about his anticipated infrastructure plan



## Specific infrastructure details included in FY18 budget proposal

### Air traffic control privatization



Trump calls for the creation of a non-governmental entity to manage the nation's air traffic control system. The proposal would reduce passenger taxes and the new entity would be responsible for setting and collecting fees directly from users.

### Increase infrastructure flexibility at Department of Veterans Affairs



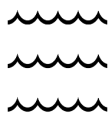
The administration will pursue reforms to help the VA acquire and maintain the facilities necessary to provide high quality medical care. The budget includes proposals to expand the VA's authority to lease out its vacant assets for commercial or mixed-use purposes and to speed its ability to pursue facility renovations and improvements.

### Divestiture of the Power Marketing Administration's transmission assets



The budget proposes to sell the PMA's transmission assets. Investor-owned utilities provide for the vast majority of the nation's electricity needs. According to the administration's plans, selling these assets will more efficiently allocate economic resources and help relieve long-term pressures on the federal deficit related to future federal capital investment.

### Reform laws governing the Inland Waterways Trust Fund



In 1986 Congress mandated that commercial traffic on inland waterways be responsible for 50% of the capital costs of the locks, dams and other features that make barge transportation possible. The budget proposes establishing a fee to increase the amount paid by commercial navigation users of inland waterways. This additional revenue will finance future capital investments in these waterways to support economic growth.

# Trump recommends reform to streamline the environmental review and permitting process



## Principles guiding infrastructure approval reform

### Improving environmental performance

Trump proposes establishing a pilot program to experiment with different ways projects can better protect and enhance the environment.

### One federal decision

Under the current system, project sponsors work with one agency but are often told to stand in line with several other agencies for a variety of additional approvals. The proposal calls for the federal government to navigate its own bureaucracy and designate a single entity responsible for shepherding each project through the review and permitting process.



### Judicial reform

The administration believes resources would be better spent on enhancing the environment rather than feeding needless litigation. As such, the administration will submit proposals that curtail “needless” litigation.

### Accountability

The administration will seek proposals for tools to start holding agencies accountable for their performance as Trump believes the review and permitting of projects should be included in each agency’s mission, and their performance should be tracked and measured.

### Unnecessary approvals

The administration supports putting infrastructure permitting into the hands of responsible state and local officials where appropriate as Trump expresses that the federal government exerts an inordinate amount of control through “unnecessary” bureaucratic processes.



Sources: Office of Management and Budget, “A new foundation for American greatness,” May 23, 2017.

# Trump called for privatizing air traffic control, efforts to pass legislation through Congress have met roadblocks



## Basics on air traffic control (ATC) privatization



President Trump unveiled his administration's commitment to transferring the responsibility for national air traffic control from the Federal Aviation Administration to a new private, nonprofit corporation



Trump also elaborated on the ongoing transition to the NextGen Air Transportation System, which is a comprehensive upgrade to the nation's air traffic control systems that began implementation in 2012

## What privatization may mean...

## Legislative forecast

### Less reliance on government bureaucracy

Inconsistent funding from Congress has resulted in controller furloughs and a slowing of the implementation of NextGen as the FAA has had difficulty making long-term commitments with contractors

### Questions about user fees

While privatization means the disappearance of many government taxes, the nonprofit will not receive government funding, most likely meaning that the corporation will be funded through user fees. There is insufficient information to ascertain if user fees would be higher or lower than current taxes and fees paid by consumers

- Rep. Bill Shuster (R-PA) has focused on the issue throughout his tenure as House Transportation and Infrastructure Committee chairman
- Shuster attempted to wrap air traffic control privatization into the 2017 FAA reauthorization bill, but fierce opposition to the idea resulted in the plan being scrapped
- **Rep. Bill Shuster plans to advance a spinoff proposal for ATC privatization after FAA reauthorization is addressed**

Sources: Jeffrey Cook, "What privatizing air traffic control could mean, as Trump outlines proposal," ABC News, June 5, 2017; Ken Thomas "Trump is about to lay out his vision for overhauling the US air traffic control system," Business Insider, June 5, 2017; National Journal Research, 2017.

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## Week in Review Archive



# International relations: tension with adversaries has risen, but Trump's administration has avoided confrontation

■ Completed ■ In progress ■ Stalled ■ No action



## Press North Korea to dismantle its nuclear weapon program

- Trump reaffirmed alliances with South Korea and Japan, but used aggressive rhetoric against North Korea and threatened military action
- The UNSC passed new sanctions limiting international trade with North Korea



## Boost NATO defense spending

- During a speech at NATO headquarters, Trump did not reaffirm Article 5, which provides for mutual defense. He later clarified his support of defense for all NATO nations
- A NATO report stated that American allies will increase NATO spending by 4.3 percent



## Improve relations with Russia

- Trump signed a bill that increased sanctions on Russia and limited his own ability to lift the sanctions
- In retaliation, Russia seized two US diplomatic properties and demanded the reduction of US staff at embassies and consulates to 455 people



## Renegotiate the Iran nuclear deal

- For the second time, Trump certified that Iran was complying with the agreement negotiated by President Obama in 2015
- Trump announced he intended to strengthen enforcement and increase sanctions, but has not yet acted on these statements

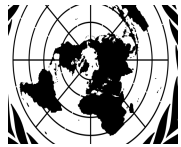
### What's next?

- Kim Jong Un stated his intention to attack Guam or the continental United States
- The United States is participating in an annual military exercise with South Korea in August, which North Korea has warned could increase the risk of a nuclear attack
- A number of positions remain unfilled in Tillerson's Department of State, making it difficult to conduct standard diplomatic relations with many nations
- Trump threatened military action in Venezuela over internal political unrest and opposition to Venezuelan President Nicolas Maduro

Sources: Adam Taylor, "What the new UN sanctions on North Korea mean," Washington Post, August 7, 2017; "US-Russia sanctions: How did we get here?" BBC News, August 3, 2017; Daniel Politi, "Trump's Threat to Invade Venezuela Boosts Embattled Leader Maduro," Slate, August 12, 2017; Dan Merica, Kevin Liptak, Jeff Zeleny, "Trump, showered in Polish praise, backs NATO's Article 5," CNN, July 6, 2017; Peter Baker, "Trump recertifies Iran Nuclear Deal, but only reluctantly," NY Times, July 17, 2017; Jacopo Barigazzi, "NATO to increase non-US spending by 4.3 percent in 2017," Politico, June 28, 2017.

# Trump plans to focus on UN reform and ongoing issues in North Korea, Iran and Venezuela at the UNGA

## Key issues for the United States at the UN General Assembly



### UN reform

The United States has led an effort, now joined by 100 other nations, to reform the UN by reducing spending and changing administrative operations. The effort has been embraced by UN Secretary-General Antonio Guterres



### Iran

National Security Advisor H.R. McMaster stated that Iran's behavior in the Middle East would be central to discussions at the UNGA. The Trump administration must notify Congress whether Iran has complied with the nuclear deal by mid-October



### North Korea

Following two sets of UN sanctions against North Korea, UN Ambassador Nikki Haley has emphasized diplomacy in dealing with North Korea, but has acknowledged that military action remains a possibility. Trump has meetings with leaders from Japan and South Korea that will focus on North Korea



### Venezuela

Trump has a working dinner with leaders from Latin American to address questions regarding Venezuelan President Nicolas Maduro's legitimacy. The administration recently imposed sanctions on Venezuela and Trump will not be speaking directly with President Maduro

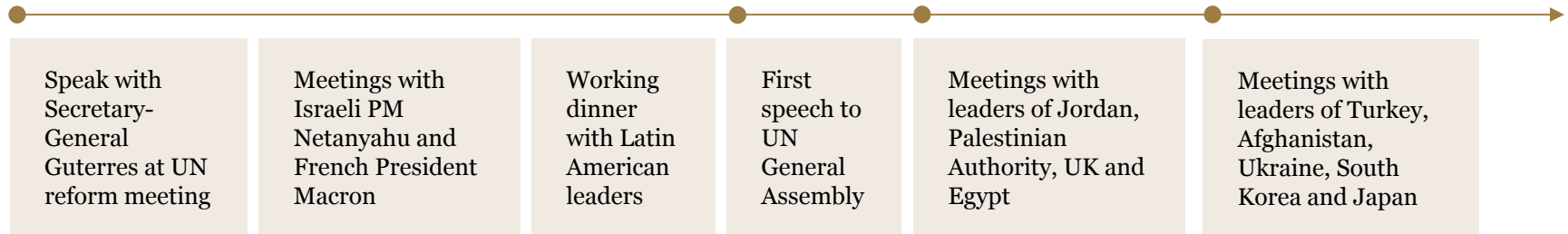
## Trump's schedule at the UN General Assembly

### Monday

### Tuesday

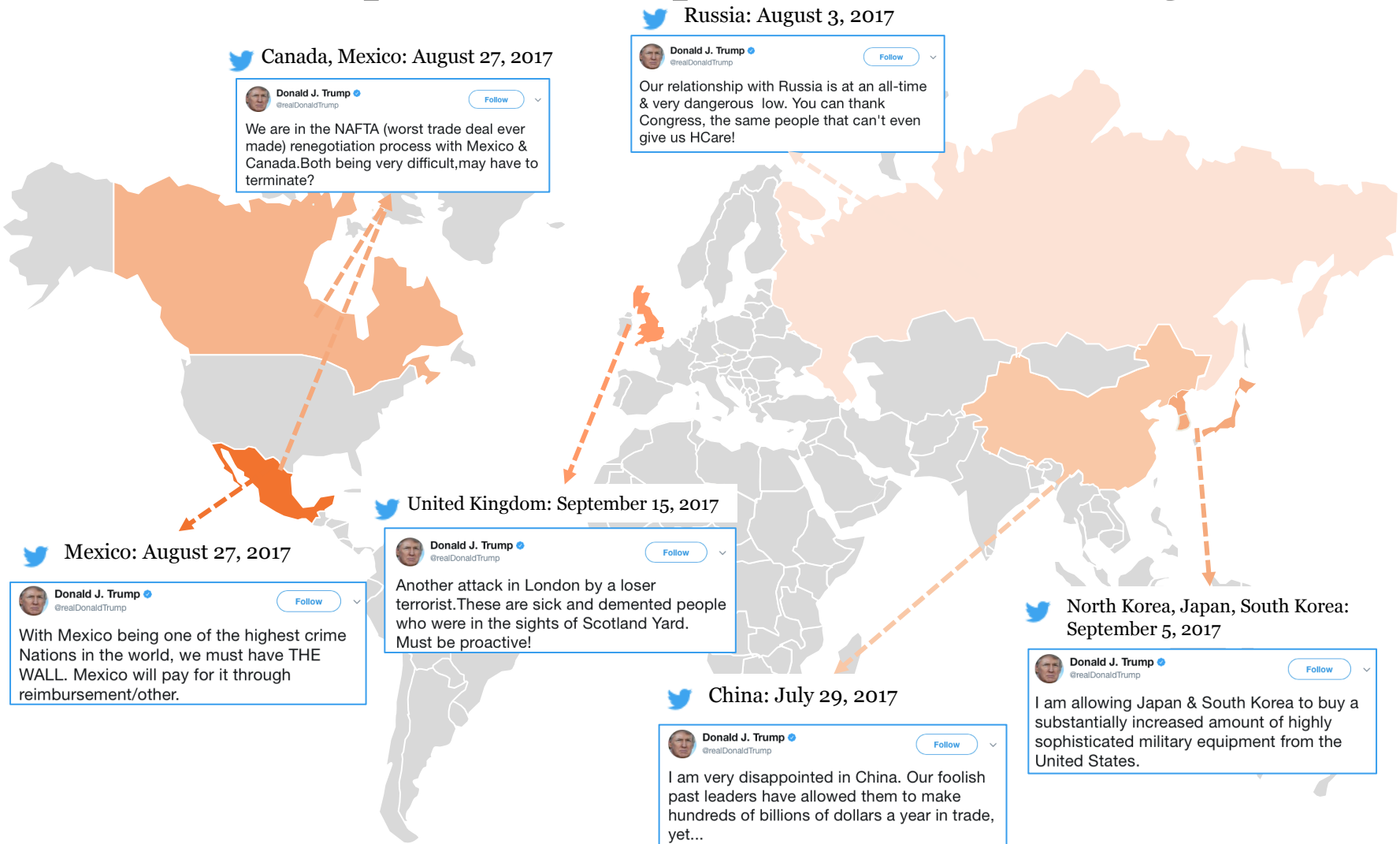
### Wednesday

### Thursday



Sources: Darlene Superville, "Trump's week anchored by speech to UN General Assembly," Chicago Tribune, September 18, 2017; Jonathan Easley, "Trump at the UN: What to watch for on Monday," The Hill, September 18, 2017; Tom Porter, "What is Donald Trump doing at the UN? White House reveals full schedule of meetings and speeches," Newsweek, September 16, 2017.

# President Trump's relationship with the world through twitter



Sources: Donald J. Trump Twitter, 2017.

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## Week in Review Archive

# Tax, labor and economy: tax reform legislation expected by November, NAFTA renegotiations in progress & more

■ Completed   ■ In progress   ■ Stalled   ■ No action



## Tax reform

- Republican leaders released a tax reform framework; legislation is expected in both chambers by November 13



## Overtime rule

- In July, the Labor Department reopened a 60-day public comment period on the overtime rule
- Instead of defending Obama's salary threshold in court, this move essentially rewrites the rule from scratch



## China currency status

- Trump has walked back his pledge to name China a currency manipulator in exchange for Chinese cooperation on North Korea



## NAFTA renegotiation

- The first round of NAFTA renegotiations began in August
- Trump has expressed that pulling out of the negotiations is still an option



## TPP withdrawal

- Trump issued an executive order withdrawing the US from the trade deal on January 23



## Buy American, Hire American

- Trump issued an executive order mandating the federal government to prioritize domestic workers and US products

## What's next?

- Congress is working to pass a budget resolution to start the reconciliation process for tax reform. The Senate budget resolution calls for tax committees to write legislation by November 13 with the goal of passing tax reform by the end of 2017
- Alexander Acosta, the newly appointed Secretary of Labor, may move to replace the Obama overtime rule with a more conservative version of the wage regulation
- The Department of Commerce may propose new tariffs or countervailing duties against specific products or other countries that run trade surpluses with the United States

# The 'Big Six': key players in the tax reform debate

## HOUSE OF REPRESENTATIVES



**Speaker Paul Ryan**



**Kevin Brady**

## SENATE



**Mitch McConnell**



**Orrin Hatch**

## ADMINISTRATION



**Gary Cohn**



**Steven Mnuchin**

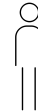
Source: National Journal Research 2017.

# On Sept. 27, Trump presents plan for tax reform

## Key elements



**Corporate tax rate** — Trump's plan calls for a 20% corporate tax rate, slightly higher than his original 15% demand



**Individual tax rates** — The plan calls for rates set at 12%, 25% and 35%, with the option of a fourth higher rate on the wealthiest households.



**Standard deductions** — The reform doubles the standard deduction from \$12,000 to \$24,000 for married couples



**Tax on foreign earnings** — The plan includes a one-time tax on U.S. companies' stockpiled foreign earnings



**No alternative minimum tax** — Under the new system, the alternative minimum tax would be gone



**No estate tax** — The reform would abolish the estate tax completely



**Interest deductibility** — The interest deductibility for businesses would be limited under the new reform



**No state and local tax deductions** — The plan calls for the removal of state and local tax deductions



**Pass-through business** — Businesses, partnerships and sole proprietorships whose profits “pass through” to their owners would be taxed at a rate of 25%, not the individual rate of their owners



**Children and dependents** — The plan increases the child tax credit from \$1,000 to an unspecified amount and creates a new \$500 tax credit for dependents, such as the elderly, who are not children

Sources: Richard Rubin, “GOP Tax Overhaul Aims for Corporate Cuts, Simpler Code,” WSJ, September 27, 2017; Julie Hirschfeld Davis and Alan Rappeport, “Trump Hails Tax Plan as ‘Revolutionary Change’ for Middle Class,” NYT, September 27, 2017.

# New tax plan protects some current rules, but provides limited information on other issues

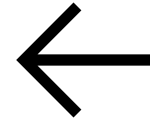
## Parts that remain unchanged



**Capital gains** — The plan doesn't call for changing the top tax rates on capital gains and dividends, currently at 23.8%



**ACA taxes** — It doesn't address taxes on top earners, investors and industries that were imposed as part of the 2010 Affordable Care Act



**Not retroactive** — The reform will not be retroactive according to senior administration officials familiar with the reform

### Components that require more information

- The plan doesn't say how big a tax cut overall the administration favors
- It is unclear if Republicans in Congress will support a tax rate above 35% for the highest income earners. In the past, Republicans generally believed tax cuts to the wealthiest individuals and businesses encouraged higher investment and economic growth
- If Republicans want to evenly distribute the tax burden, they might also have to limit the scope of the 25% tax rate on "pass-through" businesses, which will pay taxes based on their owners' individual returns rather than corporate taxes
- Republicans are considering the "70-30 rule," under which 70% of pass-through income would be taxed as wages. The remaining 30% would be taxed at the corporate rate



# Democrats rebuked the White House's new tax plan

## Leadership and influencers spoke out



*"It seems that President Trump and Republicans have designed their tax plan to be cheered in country clubs and corporate board rooms."*

— **Sen. Chuck Schumer (D-NY)**, the Senate minority leader speaking on the Senate floor



*"Republicans' tax framework is not tax reform. It is a framework that gives away the store to the wealthiest, while sticking the middle class with the bill. Cutting the top tax bracket for the richest and the \$270 billion giveaway of repealing the estate tax reveal a GOP tax framework built for billionaires."*

— **Rep. Nancy Pelosi (D-CA)**, the House minority leader in a statement



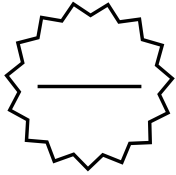
*"At a time of massive wealth and income inequality, Trump's tax plan is morally repugnant and bad economic policy,"*

— **Sen. Bernie Sanders (I-VT)**, in a statement

Sources: Susan Ferrechio, "Nancy Pelosi: Republican tax plan 'gives away the store to the wealthiest,'" Washington Examiner, September 27, 2017; Maxwell Tani, "Morally repugnant': Bernie Sanders, top Democrats slam Trump's tax plan," Business Insider, September 27, 2017.

# In tax reform, there are winners and losers

## Those who will benefit from the White House's new tax plan proposal



**People who don't take deductions** — The framework would roughly double the amount of the standard deduction to \$24,000 for married couples and \$12,000 for singles



**Heirs of large estates** — The estate tax will be repealed. The current estate tax applies only to individuals with assets greater than \$5.5 million, and \$11 million for couples, which exempts all but 0.2% of estates

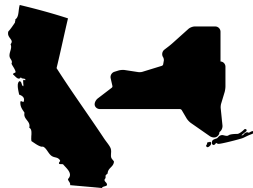


**Higher-earning owners of so-called pass-through businesses** — The reform would drop the top rate on the owner's business income (other than wages) from about 40% to 25%



**Opponents of the alternative minimum tax** — The complex surtax, which rescinds some tax benefits, is slated for total repeal

## Those who will lose out



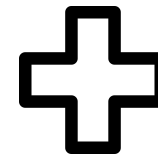
**Residents in high-tax states** — The reform would repeal write-offs for state and local income, property and sales taxes, which are deductible on federal tax returns



**Those who take mortgage deductions** — The mortgage interest deduction could be curtailed to \$500,000 of loan rather than \$1 million



**High-wage earners** — A tax rate could be established above 35% for those who earn the most, in an effort to ensure the reform is progressive

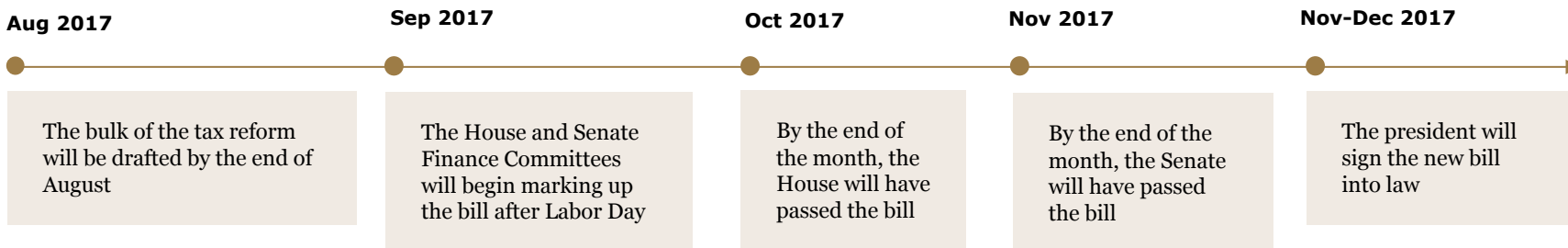


**People with large medical or disaster deductions** — Both deductions would likely be repealed under the framework

Sources: Laura Saunders, "Winners and Losers Under the Trump Tax Plan," WSJ, September 27, 2017.

# White House establishes aggressive timeline on tax reform

Timeline proposed by Director of Legislative Affairs Marc Short



## Congress faces important deadlines in September

### September

					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- **Sep. 5:** Congress returns from August recess
- **Sep. 29:** Debt ceiling must be raised or suspended
- **Sep. 30:** Government funding expires
- **Sep. 30:** Children’s Health Insurance Program funding expires
- **Sep. 30:** Federal Aviation Administration authorization expires

Sources: Veronica Stracqualursi, “White House sets ‘aggressive schedule’ for tax reform,” ABC News, July 31, 2017; Ayesha Rascoe, “Trump ‘100 %’ committed to take on tax reform in 2017: Cohn,” Reuters, July 31, 2017; Tae Kim, “Gary Cohn’s employment status is the key signal for traders betting Trump’s tax reform is still alive,” CNBC, July 3, 2017; Laura Litvan, “McConnell Wants Revenue-Neutral Tax Plan, at Odds With Trump,” Bloomberg, May 16, 2017; Naomi Jagoda, “GOP to begin vigorous sales job on tax reform,” The Hill, July 30, 2017; David Morgan, “U.S. Senator Hatch says 25 percent corporate rate a challenge in tax reform,” Reuters, July 31, 2017.

# Roadmap

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Agriculture

Budget

Cybersecurity

Criminal justice

Defense

Energy and the environment

Education

Finance

Health care

Immigration

Infrastructure

International relations

Tax, labor and the economy

Technology

## Week in Review Archive

# Technology: moves to rescind net neutrality and internet privacy laws

■ Completed   ■ In progress   ■ Stalled   ■ No action



## Repeal privacy oversight law

- Trump signed a GOP bill repealing an FCC rule that prevented internet service providers from selling customer data to third parties without the users' affirmative consent



## Roll back net neutrality

- The White House has supported FCC Chairman Ajit Pai's proposal to rescind net neutrality regulations



## Establish technology council

- Through an executive order, Trump created the American Technology Council, which is made up of government officials and aims to modernize government IT



## Expand rural broadband service

- Trump has pledged to expand broadband service to rural areas as part of his \$1 trillion infrastructure plan; he proposed spending \$25 billion over 10 years on rural infrastructure needs



## Limit regulations for self-driving cars

- Trump's Department of Transportation released updated guidelines for self-driving cars that encouraged manufacturers to put autonomous vehicles on the roads and advised states to institute only light regulations

## What's next?

- The FCC put forth a proposal to rescind net neutrality that received over 20 million responses online, although many believe that a substantial number of the comments were fraudulent; after reviewing the responses, the FCC is expected to try to move forward with eliminating net neutrality rules
- After Republicans repealed FCC internet privacy laws, several states have attempted to pass their own laws; California and Massachusetts seem likely to pass internet privacy laws in the next year

# Trump allies say that tech companies have a liberal bias

## Tech companies targeted by the Trump administration



*Trump allies have criticized Google for having a liberal bias*

- After Google fired an employee for claiming women made less capable engineers, White House adviser Kellyanne Conway tweeted an op-ed by the employee calling Google “**ideologically driven**”
- Trump ally Rep. Dana Rohrabacher (R-CA) tweeted: “**mistreatment of conservatives** ... by tech monopolies is a civil rights issue #GoogleMemo”



*Trump views Zuckerberg as a political threat in 2020*

- Facebook CEO Mark Zuckerberg is reportedly featured on the White House’s list of potential Democratic rivals in the 2020 presidential election, indicating that Trump views the tech leader as having a **liberal bias**
- Fox News’ Tucker Carlson said Facebook **couldn’t be trusted** with an algorithm to identify fake news



- In 2016, Trump said that if he were elected, Amazon would “have problems”
- In August Trump tweeted: “Amazon is doing great damage to tax paying retailers...many jobs being lost”
- Trump has also repeatedly accused the Washington Post, which is owned by Amazon CEO Jeff Bezos, of being “**fake news**”



- Trump called for a **boycott** of Apple when the company resisted the FBI’s demand for access to an encrypted iPhone; the tech community rallied to Apple’s defense

Sources: Tech goes from White House to doghouse in Trump’s Washington,” Bloomberg, August 21, 2017; National Journal research.

# The Trump administration and tech giants conflict on key issues

## Policy positions of the White House and tech leaders

### *Trump administration*

- Strict immigration laws and enforcement and travel bans have been a central theme of Trump's presidency
- Trump called for a boycott of Apple when the company resisted the FBI's demand for access to an encrypted iPhone
- Trump withdrew from TPP
- Trump's supporters have been critical of free trade; Trump has threatened to withdraw from NAFTA but for now plans to renegotiate
- The Trump administration has supported the FCC's proposal to roll back net neutrality laws

### **Immigration**



### **Encryption**



### **Free trade**



### **Net neutrality**



### *Tech leaders*

- Tech companies seek more international talent
- They benefit from more relaxed immigration enforcement and laws
- The tech industry strongly supports protecting encryption
- Tech companies supported TPP because it contained international rules protecting the transfer of data
- Tech companies are lobbying to eliminate technology goods tariffs in NAFTA renegotiations
- Companies that conduct business on the internet support net neutrality laws
- Without such laws, they could face fees or lose customers with reduced bandwidth speeds

Sources: National Journal research; Jason Lange, "Tech companies ramp up NAFTA lobbying on eve of trade talks," Reuters, August 15, 2017; Amir Nasr, "Tech experts see NAFTA as way to revive industry-friendly TPP chapters," Morning Consult, April 6, 2017; David McCabe, "Silicon Valley's elite comes to Trump's Washington, Axios, June 19, 2017; Jim Kerstetter, "Tech roundup: divide between Trump and Silicon Valley grows," The New York Times, June 2, 2017.

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**Week in Review Archive**



# Graham-Cassidy bill receives no vote, Trump suspends Jones Act for hurricane relief, Scalise returns to the House

## Week in Review: Sept 25, 2017 – Sept 29, 2017

Sept

25

- **On Monday**, protesters disrupted the Senate Finance Committee hearing on the Graham-Cassidy health-care bill.
- Former New York Representative Anthony Weiner, who pleaded guilty in May to transferring obscene material to a minor, was sentenced to 21 months in prison.
- The Supreme Court canceled oral arguments for two cases related to President Trump's travel ban, after the administration issued a new update to the ban.

Sept

26

- **On Tuesday**, Senate Majority Leader Mitch McConnell announced that the chamber will not vote on the Graham-Cassidy health-care bill.
- Voters in Alabama headed to the polls to cast their ballots in the state's Senate Republican primary.
- During an address at Georgetown University Law Center, Sessions said that "freedom of thought and speech on the American campus are under attack," as he criticized NFL players for kneeling in protest during the National Anthem.
- Republican Senator Bob Corker of Tennessee said he will not run for reelection in 2018.

Sept

27

- **On Wednesday**, President Trump told reporters he is "not happy" about reports that Health and Human Services Secretary Tom Price used taxpayer-funded private planes, and said "we'll see" about firing him.
- In Indiana, Trump laid out his vision for tax reform that includes a range of tax cuts for individuals and businesses.
- Puerto Rico Governor Ricardo Rosselló said 97 percent of Puerto Ricans are without power, and about half still don't have running water, one week after Hurricane Maria struck the U.S. territory.
- House Republicans proposed a plan to provide \$10 billion for Trump's border wall.

Sept

28

- **On Thursday**, Representative Steve Scalise, the House Majority whip, returned to Congress after being shot at a congressional baseball team practice in June.
- Christopher Wray, President Trump's pick to replace James Comey as the new FBI Director, was sworn in at the FBI Headquarters.
- The Trump administration temporarily waived the Jones Act, a law that would make it more difficult to send hurricane-relief supplies to Puerto Rico.

Sept

29

- **On Friday**, the Senate Budget Committee unveiled a budget resolution for fiscal year 2018.
- The State Department issued a formal travel warning advising U.S. citizens against travelling to Cuba after several mysterious health attacks that have targeted U.S. diplomats there over the past year.

Sources: National Journal Research; The Atlantic Politics and Policy Newsletter, 2017; TheHill.com, 2017.