

## Trump Transition Tracker

*Updates as of 5PM EST Thursday, December 12, 2024*

### Transition Updates

**FTC picks mean tech in the crosshairs.** President-elect Donald Trump has signaled that technology companies, particularly Big Tech and those that seek to censor conservative speech on social media platforms, will remain under heightened scrutiny through his nominations of Gail Slater as the lead Assistant Attorney General in the Antitrust Division at the DOJ, FTC Chair Andrew Ferguson, and FTC Commissioner Mark Meador. Ongoing antitrust cases against Google (Google v. United States (2023)) and Amazon (FTC v. Amazon (2023)) are expected to persist, while investigations into Nvidia, Microsoft, and OpenAI are likely to be deprioritized or dropped. These appointments also reflect a shift in the Republican Party's approach, with a growing skepticism towards corporate power. While Trump's team may adopt a more deal-friendly stance and prioritize different issues compared to the Biden administration's team, aggressive antitrust enforcement is likely to continue.

**Playing hardball.** November's elections proved that Trump has completely remade the Republican Party in his own image, not only solidifying his position as its unquestioned leader, but also making clear that crossing him or the MAGA movement will have consequences. His allies and supporters are employing a combative approach to ensuring that Trump's cabinet picks get confirmed, threatening to primary any Senator who seems to be wavering in their support. MAGA supporters have taken to the airwaves and social media to pressure Senators to fall into line, a tactic that seems to be benefitting embattled Department Secretary nominee Pete Hegseth, whose fortunes appear to be turning brighter in recent days. A similar campaign is expected on behalf of former Rep. Tulsi Gabbard – Trump's nominee for director of national intelligence – who faces scrutiny over meetings with then-Syria's authoritarian leader Bashar Assad in 2017 and for controversial views on Russia. While Senators are certainly used to "pressure" campaigns, the intensity of the MAGA movement, coupled with the threat of a primary challenge, could be having the intended effect.

**Still not on the same page.** Incoming Senate Majority Leader John Thune (R-SD) and House Ways and Means Chairman Jason Smith (R-MO) continue to disagree over how to extend the 2017 Trump tax cuts come January. The two met Wednesday but failed to come to resolve what should be included in a legislative package during the opening weeks of the 119<sup>th</sup> Congress that can be fast-tracked and passed without Democratic support under a process called reconciliation. Thune wants to prioritize Trump's border security, defense and energy priorities first, pushing the tax issue to later in the year. Smith, along with many rank-and-file House Republicans, worries that waiting could result in the tax cuts sunseting at the end of 2025. Trump reportedly is on board with Thune's plan, but with [more House Republicans](#) now echoing Smith's concern that one of Trump's signature victories from his first term could expire in his second, that support could change.

**Ahead of Trump's inauguration, Biden scrambles to shore up communications channels with China.** Members of the Treasury Department this week met with Chinese counterparts in Nanjing and on the sidelines of G20 meetings in South Africa in what could be the last engagement of the U.S.-China Economic Working Group. The establishment of the group was hailed as a significant achievement in improving bilateral communications and helping to move past a months-long period without high-level bilateral engagements in the wake of the so-called "Chinese spy balloon" incident in 2023. With Trump threatening to upend trade with China through steep tariffs, this communications channel could prove critical in stabilizing ties and avoiding misunderstandings. Yesterday, it was reported that Trump in November invited Chinese President Xi Jinping to attend his inauguration ceremony. The move fits his preference for leader-to-leader diplomacy, but it is unlikely that Xi will accept the invitation.

**Cabinet Spotlight: Treasury Secretary Scott Bessent:** The palace intrigue over who would emerge as Trump's Treasury Secretary consumed "Trump World" and Washington unlike any of his other nominations. In the end, Bessent, the founder of Connecticut-based hedge fund Key Square Group, got the nod, signaling perhaps that Elon Musk may not have as much sway as he believes. Trump long wanted Bessent; Musk favored Howard Lutnick, who has been nominated to be Secretary of Commerce. Wall Street and business leaders have reacted positively to

Bessent's selection, recognizing his pedigree as a global investor and his history of supporting both Republicans and Democrats. The centerpiece of Bessent's economic agenda is what he calls a "3/3/3" approach to policy: cutting the budget deficit to 3% of GDP, achieving 3% annual growth, and increasing domestic oil production by 3 million barrels per day. When it comes to tariffs, there is a great deal of speculation that Bessent could moderate Trump's position. Expect Bessent to be easily confirmed.

## Trade, Tariffs & Investments

**Corporate tax cuts and SALT on Trump's mind.** In a [recent interview](#) at the New York Stock Exchange (NYSE), Trump reiterated his commitment to reducing taxes for corporations and investors. He also proposed lowering the corporate tax rate from 21% to 15%, a reduction initially outlined in the 2017 tax reform legislation he signed into law. Additionally, Trump mentioned ongoing discussions with his advisers regarding potential cuts to capital gains and dividend tax rates. Known for leveraging stock market performance as a barometer of his policy successes, Trump remarked to CNBC, "to me, the stock market is all of it," further highlighting the role of economic indicators in shaping his policy agenda. Trump's advisers also revealed that they are contemplating increasing the cap on state and local tax (SALT) deductions from the current \$10,000 to \$20,000. With SALT set to expire in 2025, this issue is expected to become a critical point of contention, particularly among Republican lawmakers representing districts in states like California, New Jersey, New York, and Pennsylvania, and could serve as an important provision for getting any tax package through Congress.

**China responds in kind to U.S. secondary sanctions.** On December 2, the U.S. announced a major expansion of semiconductor export controls on China, including an expansion of the Foreign Direct Product Rule to prevent third countries from exporting chip manufacturing equipment containing U.S.-origin technologies to China. In response, China [announced](#) a ban on exports of several key semiconductor inputs to the U.S., which for the first time bans re-exporting those materials to the U.S. from third countries. While the move is not expected to be majorly disruptive, it is a shot across the bow to the incoming Trump Administration and signals that China would be willing to play hardball in a potential trade war.

## Regulation & Deregulation

**Trump's \$1 billion promise.** On Tuesday, Trump [committed](#) to providing "fully expedited approvals and permits" for individuals or companies investing a minimum of \$1 billion in the U.S., with environmental approvals included as part of this incentive. While the precise details remain vague, this announcement marks another indication of Trump's strategy to foster greater foreign direct investment during his second term. By emphasizing environmental approvals, it also underscores his intention to reverse numerous Biden-era policies focused on combating climate change.

## Technology

**Cyber policy at a crossroads:** In the wake of the worst-ever cyberattack on the U.S. by Chinese hacker group [Salt Typhoon](#), the Trump transition team is currently weighing whether to alter the existing leadership structure for cyber issues at the White House. Currently, the Office of the National Cyber Director (ONCD), the National Security Council (NSC), and the Cybersecurity and Infrastructure Security Agency (CISA) collaborate to address and prevent cyber threats. However, ongoing discussions are questioning whether there are too many overlapping roles in decision-making regarding cyber policy. Several former cybersecurity officials are advocating for clearer responsibility distinctions, especially between ONCD and the NSC. The Trump team is considering reducing the NSC's role, though no official decisions have been made. Companies who regularly engage on these issues should watch to see whether the NSC's role is ultimately diminished and how the shift impacts the cyber policy power structure within the administration. Expect congressional hearings on the topic early in the new year.

## **Latest Trump Appointments**

**Director of Voice of America**  
Kari Lake

**Ambassador to Colombia**  
Daniel J. Newlin

**Ambassador to Argentina**  
Dr. Peter Lamelas

**Ambassador to Mexico**  
Ronald Johnson

**Federal Trade Commissioner**  
Mark R. Meador

**Deputy Director for Office of Management and Budget**  
Rep. Dan Bishop

**Ambassador to Turkey**  
Tom Barrack

**Ambassador to Greece**  
Kimberly Guilfoyle

**Under Secretary of State for Economic Growth, Energy and the Environment**  
Jacob Helberg

**Chair of the Federal Trade Commission**  
Andrew N. Ferguson

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