



Trump Transition Tracker

Updates as of 5 PM EST on Thursday, December 19, 2024.
The next addition of the Trump Transition Tracker will be released on January 2, 2025.

Transition Updates

The CR hits the fan. Yesterday's last-minute derailment by President-elect Donald Trump and billionaire Elon Musk – who some opponents are starting to refer to as the co-president – of the stopgap spending bill necessary to keep the federal government up and running past midnight on Friday is sign of what's to come next year as the two flex their political muscle. House Speaker Mike Johnson (R-LA) had reportedly been keeping Trump and Musk informed of the parameters of the deal he was cutting with Democrats but when it became public, Musk went apoplectic on X and Trump soon followed suit. The original deal is now dead. House Republican leaders spent today scrambling to put together a new package, which could potentially be voted on tonight. However, anything the GOP puts together will still face the challenge of passing through the Democratic-controlled Senate. The chaos surrounding the short-term spending bill is threatening Johnson's ability to remain House Speaker when the 119th Congress convenes on January 3, as rumors are circulating that many Republicans are actively considering alternatives. Trump, for his part, has said Johnson would "very easily" be reelected Speaker should a new deal eliminate Democrats' "traps." Getting a new Speaker in place – and all the headaches that come with it – could make for a very rocky first 100 days for a new Trump administration.

Let's make a deal. When and where will Trump make the transition from transformational to transactional? He appears poised to take steps in the first 100 days of his new administration to implement many of his campaign pledges but also seems to be opening several windows to potentially change positions down the line to achieve other goals. Is tariff policy one of them? Will Trump actually impose 60% tariffs on China as he promised on the campaign trail? He has invited President Xi to his inauguration as a gesture of goodwill diplomacy. Listening to close advisors like Elon Musk, who has enormous business interests in China, might make Trump even more inclined to compromise on tariffs to achieve better relations with China, prevent conflict over Taiwan and work with Beijing on other issues such as drug interdiction and visas for higher education. Remember, Trump's book was titled "The Art of the Deal." Getting the "deal" is what drives him and will guide his second term.

Senators ask to see Hegseth FBI file. At least a dozen senators, including moderate Susan Collins (R-ME), traditional Republican Thom Tillis (R-NC), and pro-Trump stalwart Tommy Tuberville (R-AL) are pushing to see the FBI's background check on Trump's pick for Secretary of Defense, Pete Hegseth, ahead of his January 14 nomination hearing. Access to these background checks is normally limited to committee leadership – in this case the Senate Armed Services Committee – but this time some senators say the claims are serious enough to warrant greater access. While it's unlikely the FBI findings would be made public, they could still give Republican senators political cover to vote against Hegseth. Following the tradition of trying to confirm national security nominations quickly, Hegseth's will be one of the first confirmation hearings of the new administration and will be instrumental in setting the tone for the rest of Trump's more controversial picks. It will be interesting to see which Republicans break ranks and drop their support should the FBI report become public. Notably, in 1989 George H. W. Bush's pick for Defense Secretary, John Tower, had his nomination bid defeated after an FBI background check documenting a "pattern of alcohol abuse."

Trump continues Canada statehood riff. After Canadian Finance Minister Chrystia Freeland abruptly resigned earlier this week over a disagreement with Prime Minister Justin Trudeau's tariff and domestic tax strategy, Trump criticized Freeland as a "toxic" partner in trade negotiations. In a separate post, Trump asked "why [do] we subsidize Canada to the tune of over \$100,000,000 a year?," and again <u>suggested</u> that Canada ought to become the 51st state and that the Canadian public supported the notion (recent data <u>suggests</u> +85% do not). Trump's continued antagonism of Prime Minister Trudeau is likely a tactic to rattle the Canadians ahead of trade





negotiations, especially with Trudeau politically weakened by his falling popularity ahead of a parliamentary election in 2025.

Cabinet Spotlight: Secretary of Interior nominee Doug Burgum. Burgum, the governor of North Dakota who ran a short-lived presidential campaign in 2023, will be both Interior Secretary and "energy czar," a newly created role that will orchestrate the new administration's sweeping plans to repeal climate rules, scrap clean-energy subsidies, and boost oil and gas production on millions of acres of federal lands nationwide. Burgum should be easily confirmed and will lean heavily on his lessons learned from serving as governor of an oil-rich state, where he focused on deregulation and economic development, particularly in the energy sector. Anticipate Burgum prioritizing increasing drilling access on federal lands and promoting energy independence. Also look for him to emphasize a balanced approach to conservation and development, reflecting a business-oriented mindset. As head of Interior, Burgum also will preside over the National Park System, work with Native American tribes and oversee mining operations on federal lands across the U.S.

Cabinet Spotlight: Agriculture Secretary nominee Brooke Rollins. Rollins, the last of Trump's picks to run an agency, served as White House domestic policy chief in Trump I. She is the president and CEO of the America First Policy Institute, which has played an outsized role in Trump's re-election campaign and planning for a second term. She will not have an issue being confirmed. As Secretary, Rollins will oversee a sprawling agency that controls policies, regulations and aid programs related to farming, forestry, ranching, food quality and nutrition. She will be a key player in pushing Congress to reauthorize the Farm Bill, which supports everything from crop insurance to sustainable farming to providing low-income families with nutritious meals. Farming subsidies in the bill also affect the global food chain and influence world markets. It was last reauthorized in 2018, during Trump's first term as president. The agricultural community, a major constituency in many of the red states Trump carried in November, is desperate for the bill to be updated. Rollins will also need to navigate Trump's looming tariff war, which will directly impact farmers. During his first administration, Trump paid farmers for their losses due to the U.S.-China trade war. While some have questioned Rollins' credentials, she does have ties to agriculture: she was raised on a farm, is a former member of Future Farmers of America and graduated from Texas A&M University with a degree in agricultural development.

Trade, Tariffs & Investments

Biden pushes H-1B changes before Trump's return. The Biden administration finalized an overhaul of the H-1B visa program for high-skilled immigrants on Wednesday which is set to take effect on January 17, just days before Trump's second presidential inauguration. The rule aims to crack down on outsourcing, allow immigrant entrepreneurs to sponsor themselves for H-1B visas, and codify the deference policy – thereby restoring automatic renewals that were eliminated during Trump's first term. The reforms are designed to create a more stable workforce for high-skilled emerging fields like artificial intelligence. However, the changes may face challenges under Trump's second term, especially from anti-immigration factions within his base. Nevertheless, the reforms have significant backing from influential tech figures like Musk, suggesting the rules could remain relatively stable despite political shifts.

A tariff showdown. A recent <u>report</u> by the Congressional Budget Office (CBO) outlined the economic consequences of Trump's proposed tariffs, which include a 10% universal tariff and 60% tariffs on Chinese imports. The report, requested by top Senate Democrats, highlights both potential economic benefits and drawbacks. The report highlighted how tariffs could reduce the budget deficit significantly over the next decade. However, the report also noted how the tariffs would likely hurt the economy by reducing real GDP by 0.3% in 2034 with a 10% universal tariff and 60% tariffs on China, and by 0.6% with a combination of both a 10% tariff on all imports and 50% tariffs on Chinese imports. The report also pointed out that tariffs could raise prices and stoke inflation, particularly in the short term, as retaliatory tariffs from trading partners are expected. Since the U.S. has not increased tariffs to the extent Trump is suggesting in more than 50 years, CBO cautioned that such large tariff increases are unprecedented, and as a result, the long-term effects on the economy are highly uncertain. Even as Trump seeks to push ahead on tariffs, most economists continue to warn of potential consequences, while Democrats have seized on the report as more evidence of Trump's "damaging economic agenda."





Supreme Court to quickly consider TikTok case. On Monday, the U.S. Supreme Court <u>confirmed</u> it would hear TikTok's lawsuit in a two-hour special session on January 10, right before the January 19 ban on TikTok is set to go into effect. In setting aside two hours for the argument, the justices signaled that they view the case as presenting questions of exceptional importance. The court also did not ask the government to respond to the application, instead treating it as a petition seeking review and granting it. That did not deter former Senate Majority Leader Mitch McConnell (R-KY) from submitting an <u>amicus brief</u> to the court requesting that the court deny TikTok's injunction, likely seeking to rally Republicans before Trump weighs in on the issue.

Technology

GOP calls on Trump to strike back at China. Rep. Mark Green (R-TN), chairman of House Homeland Security Committee, and Rep. John Moolenaar (R-MI), chairman of the House Select Committee on China, have <u>called</u> for Trump to take strong action against China in response to the Salt Typhoon hacks. These cyberattacks have compromised U.S. telecom networks, potentially allowing China to access sensitive data, such as communications between high-ranking U.S. officials – including Trump and his associates. The lawmakers argue that China's hacking activities pose a significant national security threat, as they may have exposed Americans' private data. This call to action came a day after Rep. Mike Waltz (R-FL), who is set to become Trump's national security adviser, advocated for similar strong measures against China, urging the U.S. to "go on the offense" and "impose costs and consequences" on hackers targeting U.S. systems. Watch whether the administration chooses to adopt a more offensive deterrence strategy – striking back at enemy hackers to disrupt their systems – which would mark an escalation in the Biden administration's approach to handling Chinese hackers.

President Biden's AI agenda faces Trump's challenge. The National Institute of Standards and Technology (NIST), traditionally known for its work in the physical sciences, has recently taken a leading role in monitoring and ensuring the safety of AI. Following Biden's executive order on AI, NIST launched an AI Safety Institute, formed collaborations with major tech companies like Meta and OpenAI, and worked with top universities to develop standards and safety measures for AI. This initiative has received bipartisan support, with both Republican and Democratic leaders recognizing NIST's potential role in fostering responsible AI development. However, the future of this initiative is uncertain as Trump has <u>pledged</u> to repeal Biden's AI executive order, promising fewer regulations. While some Republican figures like Sen. Ted Cruz (R-TX) criticize the current regulatory approach, others are open to NIST's work on AI safety. The political divide reflects broader tensions about the level of government oversight in AI, with tech industry leaders like Elon Musk also weighing in on the debate.

Latest Trump Appointments

Ambassador to Croatia

Nicole McGraw

Ambassador to the Bahamas

Herschel Walker

Ambassador to the Dominican Republic

Leah Francis Campos

Ambassador to Uruguay

Lou Rinaldi

Ambassador to Japan

George Edward Glass

Ambassador to Luxembourg

Stacy Feinberg

Ambassador to Austria

Art Fisher

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