



Tiber Creek Group

WINTER OUTLOOK

JANUARY 2025

Happy New Year, new Administration and new Congress!

After some high drama in the days leading up to Christmas with Elon Musk and others managing to scuttle the initial version of the continuing resolution, Congress was able to pass a revised stopgap measure that funds the government until mid-March.

As the new year launches a new Administration and a new balance of power in Congress, expect a flurry of executive actions early in the year, a Senate focused on confirming President-elect Donald Trump’s nominees, and a Congress with ambitious legislative aspirations.

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MARK YOUR CALENDARS

January 3: 119th Congress is sworn-in; House elects a Speaker

January 6: Congress confirms electoral votes in a joint session

January 20: Presidential Inauguration

March 14: Continuing Resolution for FY2025 funding expires

March 31: Expiration of several healthcare extenders

March: Expected release of President’s Budget Request for FY2026

April 30: Fiscal Responsibility Act sequestration takes effect if Congress has not passed appropriations bills

September 30: FY2026 government funding deadline; No Surprises Act implementation funding

December 31: 2026 National Defense Authorization Act (NDAA); Certain Tax Cuts and Jobs Act (TCJA) provisions expire (including standard deduction, State and Local Tax (SALT) cap, and estate tax); employer-paid student loans income exclusion; tax extenders (including empowerment zones and incentives, film and live performances expensing, and the wind energy investment tax credit); tax exclusion for student debt forgiveness; American Rescue Plan Act (ARPA) enhanced Affordable Care Act (ACA) subsidies





2024 ELECTION RECAP

ELECTION RECAP

Presidential

Former President Donald Trump will take office this month again after winning all seven of the battleground states he lost in the 2020 election. He is the first Republican candidate since 2004 to win the popular vote. Vice President Kamala Harris underperformed President Joe Biden's 2020 margins in nearly every county nationwide.

Trump's campaign messages about the economy and immigration appealed to nearly 70 percent of voters who said they believe the U.S. is on the wrong track. He made strides with young, urban, and Hispanic voters, while Harris' support among women, young voters, and Black voters lagged. Democrats had hoped abortion ballot measures would drive support for Harris, but Democratic candidates underperformed in states where abortion was on the ballot. In the five swing states that featured Senate races, Harris underperformed Democratic Senate candidates by an average of 3.6 points.

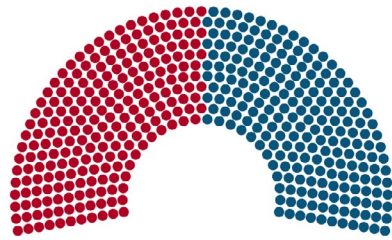
With GOP control of the House and Senate, President-elect Trump is in a strong position to advance many of his priorities. Senate Republicans lack the 60 votes to move most legislation without Democratic support, so they will use the reconciliation process to pass legislation with only Republican support. For more on budget reconciliation, please see the below section or click [here](#) for a memo about the process.

TRUMP'S FIRST 100 DAY AGENDA

President-elect Trump made clear on the campaign trail that he would unwind Biden policies and prioritize immigration, inflation, foreign aid, and tariffs in his first 100 days. He promised to close the border with Mexico and launch the biggest deportation operation in U.S. history immediately after inauguration. Trump promised to walk back many of President Biden's climate subsidies and resume energy exploration, including offering tax breaks to oil, gas, and coal producers.

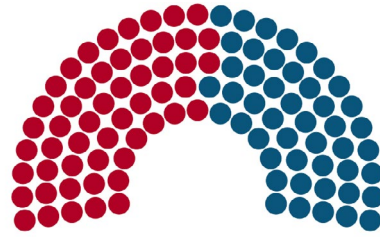
Trump will also be focused on getting his Cabinet nominees confirmed. He can't afford to lose more than three GOP senators and Senators Lisa Murkowski (R-AK) and Susan Collins (R-ME) have already voiced reservations about some of Trump's choices.

Click [here](#) for a comprehensive breakdown detailing projected priorities for Trump's second Administration.



HOUSE OF REPRESENTATIVES

219* - 215



U.S. SENATE

53 - 47

House of Representatives:

Of the 148 million votes cast nationwide, control in the House of Representatives came down to just 7,309 votes across IA-01, CO-08, and PA-07. The balance of power in the chamber was finalized on December 4th when the final race was called for Democrats in California's 13th District. Republicans maintained their narrow majority with a final count of 220 Republicans to 215 Democrats. In total, 17 House seats flipped this cycle – 8 in favor of Republicans, and 9 for Democrats. Seats flipped in California, Colorado, Alaska, Michigan, New York and Pennsylvania. Off-year redistricting in Alabama, Louisiana, and North Carolina also resulted in seat flips.

U.S. Senate:

There were 34 seats in the Senate up for election – 23 Democratic, and 11 Republican. Republicans flipped four Democratic seats (WV, MT, OH, PA) to regain control of the Senate. Four Democratic candidates – Sen. Tammy Baldwin (WI), Rep. Ruben Gallego (AZ), Sen. Jacky Rosen (NV), and Rep. Elissa Slotkin (MI) – were narrowly elected in states that backed former President Trump.

119TH CONGRESS FORECAST

With only a 53-47 seat majority, the Senate GOP will still need significant support from Democrats to advance priorities that do not qualify for reconciliation. In the House, margins are even tighter than in the 118th Congress, where Speaker Mike Johnson (R-LA) had to work with Democrats to move must-pass legislation. The balance of power in the House in the 119th Congress is 219-215*. However, due to several presidential appointments, the House margin will shrink to one seat in early January. This could complicate the Speaker's ability to move legislation in the House for as many as three months.

House and Senate Republicans will try to stack accomplishments early, as they focus on nominations and reconciliation.

Click [here](#) for a list of Chairs and Ranking Members in the 119th Congress.

*Rep. Matt Gaetz (R-FL) did not take his seat for the 119th Congress, setting up a special election in Florida's First Congressional District.

QUICK UPDATE ON GOVERNMENT FUNDING

Despite FY25 spending delay, FY26 member submission requests are expected in February

With the continuing resolution expiring on March 14th, congressional leadership will have to come to a final agreement on FY2025 topline early in the year. Speaker Mike Johnson (R-LA) has indicated his intent to move two appropriations packages starting in February, allowing for approximately three weeks for committee staff to construct the end-year spending bills. This means that congressional leadership needs to reach an agreement on topline spending levels by mid-January for the staff to complete their work and adhere to the Speaker's timeline.

The delay in reconciling FY2025 spending – and presumably a delay with the President's FY2026 budget – means the Appropriations Committees will be behind schedule establishing Member request deadlines for FY2026 and the process is unlikely to get moving before mid-April. However, that does not mean that Member offices' own individual deadlines will line up with the Committee timeline. It is still advised to have requests prepared for submission by early February.



4 DATA POINTS ON DEFENSE

National Defense Authorization Act (NDAA) passes again

1. Congress in December passed the NDAA, as it has every year since 1961.
2. The 1,800-page bill authorizes \$895.2 billion, a 1 percent increase over 2024 authorized levels, and includes an automatic 4.5 percent across-the-board pay raise for all servicemembers starting January 1st.
3. The NDAA typically receives broad bipartisan support, but this time policies curtailing DEI initiatives and gender affirming care eroded some Democratic support. Democrats objected to language prohibiting TRICARE – the healthcare program for active-duty service members – from covering the costs of gender dysphoria treatments for military dependents under the age of 18.
4. The process for building the 2026 NDAA will begin again this month.

3 FAST FACTS ON THE FARM BILL

Congress delivers a one-year extension, aid

1. Farmers were a top concern for Congress before they adjourned for the holiday – the government funding legislation that ultimately passed both houses contained \$20.78 billion in disaster aid for farmers, \$10 billion in economic aid to farmers, and a one-year extension of the Farm Bill that had expired on September 30th.
2. Last year, the House Agriculture Committee approved [its Farm Bill](#) in May and Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) released [her own version](#) in November, but there was not agreement on a full, five-year reauthorization.
3. Negotiations will reconvene this year, and it remains to be seen how incoming Senate and House Agriculture Committee leadership will work together.

THE 5 DS OF IMMIGRATION

Looking at Trump's plans on this top election issue

- 1 **Day One:** President-elect Donald Trump will kick off his second term by taking the aggressive immigration enforcement actions he promised during the campaign. His "day one" executive actions are expected to include:
 - i. Declaring a national emergency at the southern border
 - ii. Reinstating the Remain in Mexico policy
 - iii. Ending birthright citizenship
 - iv. Terminating the parole programs for Cubans, Haitians, Nicaraguans, and Venezuelans
 - v. Terminating or curtailing Temporary Protected Status
 - vi. Limiting the use of the Customs and Border Protection's CBP One mobile app

- 2 **Deportation:** Trump and his border czar, Tom Homan, have outlined the steps they will take to "mass deport" undocumented immigrants. They intend to prioritize criminal undocumented immigrants and people who have an existing order of deportation, meaning they have already been ruled ineligible to remain in the United States.

We do not anticipate the Trump Administration will prioritize deportation of the long term undocumented without a criminal record. However, some people may be swept up in the deportation effort if their workplace is subject to immigration raids or they are with a family member who has a criminal record. The situation could become very complicated for mixed status families.

- 3 **Detention:** The Trump team has also focused on significantly increasing detention capacity, so that more migrants are detained while their case is being processed.

- 4 **Dollars:** Trump will need substantial funding from Congress and Republicans are coalescing around a plan to use reconciliation to fund enforcement without Democratic votes. One plan under consideration is to quickly pass the FY2025 Budget Resolution in January and then move the border, defense, energy reconciliation bill in February with the goal of getting a bill to the president's desk by President's Day. Immigration enforcement funding of about \$85 billion could pay for detention beds; Immigration and Customs Enforcement (ICE)/Customs and Border Protection (CBP) agents and pay increases; the border wall; border technology deployment, including air and maritime assets and fentanyl interdiction technology; immigration judges; deportation operations (e.g., flights); state and local reimbursements; and reimbursement to the Department of Defense (DOD) for use of military assets.

Republicans intend to pay for the enforcement spending by imposing new or expanded fees on immigrants, eliminating access to welfare programs for certain immigrants, and eliminating President Joe Biden's student loan forgiveness program.

- 5 **Doubling Down:** Republicans will not be able to pursue all their immigration priorities through the reconciliation process because certain policy changes are not permitted under reconciliation. As a result, the House is expected in January to move an immigration bill that is substantively the same as HR 2 from the 118th Congress.

While enforcement is Trump's priority, he did offer to work with Democrats to provide legal protections to Dreamers. The case challenging the Deferred Action for Childhood Arrivals (DACA) program is currently working its way to the Supreme Court, making action on Dreamers unlikely until an expected ruling in late 2025 or 2026.

ENERGY UPDATE

Permitting reform and tax credits to get another look

Trump 2.0 Energy Agenda: President-elect Donald Trump has [made it clear](#) his renewed energy policy agenda will move away from “totally unnecessary regulation,” and towards U.S. “energy dominance.” This means prioritizing domestic energy production and innovation, expanding Liquefied Natural Gas (LNG) as well as coal and nuclear plants. Trump has promised to refill the Strategic Petroleum Reserve and expedite permits for energy projects on federal lands. In pursuing these goals, he will have to work with new Committee leadership on Senate Energy and Natural Resources; House Natural Resources; Senate Environment and Public Works; and House Energy and Commerce.

Permitting Reform Status: Despite bipartisan efforts, lawmakers have yet to reach an agreement on permitting reform, so it will be a focus again this year. Republicans are planning to use the first of two planned reconciliation bills to pursue energy and immigration policies, but only some of their goals are achievable through reconciliation. Much of the Energy Permitting Reform Act ([EPRA](#)) introduced last year by then-Senate Energy and Natural Resources Committee Chairman Joe Manchin (I-WV) and then-Ranking Member John Barrasso (R-WY) would still require 60 votes in the Senate.

To Repeal, or Not to Repeal, Energy Credits: Many Republicans have advocated for using a “scalpel, not a sledgehammer” with IRA repeals, given that congressional districts favoring Trump in the 2020 election have received [three times as much](#) of IRA clean energy and manufacturing investments as Biden-favoring districts. In August, 18 House Republicans signed a letter urging House Speaker Mike Johnson (R-LA) not to repeal those tax credits. The IRA’s \$7,500 electric vehicle (EV) tax credit is supposed to be on the chopping block, but that may also prove difficult, as 19 of 25 major automaker battery and EV assembly plants in operation or under construction are located in red districts.

Instead of attempting to repeal these programs outright, the Trump Administration may focus on eliminating IRA funding that hasn’t been obligated, as well as capping the total amount of tax credits annually.

Trump’s Cost-Cutting Efforts: The Trump Administration will likely [divert](#) [appropriated](#) funds to its priorities. They may also refuse to spend funds appropriated by Congress but not obligated by the Biden Administration through its [impoundment authority](#). Trump plans to use his Department of Government Efficiency (DOGE) to cut federal funds and the government programs that come with them. Incoming DOGE co-chair Vivek Ramaswamy has [indicated](#) Department of Energy (DOE) funding in the lame duck is “high on the list of items” for clawing back funds. Notably, however, DOGE has no statutory authority and is essentially a presidential advisory commission with recommendation powers.

3 FACTS ON FINANCIAL SERVICES

New leadership to work on reducing unnecessary regulation, digital assets

1 New Committee Leadership: Expect Rep. French Hill (R-AR), the new chairman of the House Financial Services Committee, to get to work with Senate Banking Chairman Sen. Tim Scott (R-SC) on reducing regulation and enacting a regulatory framework for digital assets.

Hill is a well-known leader on digital assets policy, leading the first Fintech task force and the Digital Assets Subcommittee – and plans to try to create a regulatory architecture for digital assets. A former community banker, his other top priority will be to ease burdensome, unnecessary regulations on financial institutions. His agenda, “Make Community Banking Great Again,” plans to focus on regulatory relief for banks, bank failure resolution reforms, targeted account closures, climate and fraud policy changes, and banking tax reforms. Specifically, Basel III Endgame is expected to be at the top of the list in the regulatory relief category. He has called on President-elect Donald Trump to withdraw the Basel III rule and propose a new one, saying that the recently revised proposal is still way too onerous for America’s banks which regulators say are well-capitalized.

Chairman Scott has his own “opportunity agenda,” which includes expanding access to capital and investments for those at the lower end of the income spectrum, reducing government regulation, and passing a market structure bill for digital assets. With Sen. Elizabeth Warren (D-MA) as the Ranking Member, it will be difficult to strike a deal on much of anything, but Chairman Scott is likely to try to work with more moderate Democrats on and off committee in order to achieve some bipartisanship on key issues.

2 Deregulation: Trump’s financial services policies are likely to be modeled after his first term and he will seek to reverse many Biden Administration regulations. As previously mentioned, Basel III Endgame, which regulators had planned to try to finalize in the first half of 2025, will be a high-profile issue. The initial proposed rule has been modified significantly but expect the Trump Administration to overhaul the proposal again – or move to withdraw it. Additionally, House and Senate Republicans are also likely to introduce Congressional Review Act (CRA) resolutions targeting financial services rules.

3 Digital Assets: House and Senate Republicans believe they can reach a deal on a digital assets market structure bill. Dozens of House Democrats voted for a digital assets bill last fall and a few Senate Democrats, including Sen. Kirsten Gillibrand (D-NY), support it as well. Trump is a well-known proponent of cryptocurrency. A stablecoin bill and a bill preventing the Federal Reserve from developing a Central Bank Digital Currency could also move this Congress.



ALL ABOUT TAX POLICY

Taking bites at the reconciliation apple

Congressional Republicans have been debating – often through the media – whether to pursue one “go for it all” reconciliation bill or divide their priorities into two bills. There is also debate among Republicans about whether to pay for extending current tax law. We will dive deeper into policy details as the 119th Congress gets underway; for now, the question is process.

Advocates for a single package – primarily House Republican leadership and Ways & Means Committee Chairman Jason Smith (R-MO) – note the GOP’s narrow majority in the House, plus the combination of moderates who may be less bullish on strict immigration policy and fiscal hawks wary of deficits. They want to take the time to write a single bill capturing energy priorities, border wall spending, defense plus-ups, and extending many provisions of the Tax Cuts & Jobs Act. Other incoming leaders, such as Senate Majority Leader John Thune (R-SD), Senate Budget Committee Chairman Lindsey Graham (R-SC), and White House Deputy Chief of Staff Stephen Miller, believe a two-step approach can allow President Trump to “put points on the board” early by quickly passing legislation focusing on border, energy, and defense spending, and still provide ample time later in the year for Republicans to negotiate a second reconciliation bill (FY2026) on taxes.

This weekend, President Donald Trump said one “big beautiful bill” is favorable, but acknowledged a second reconciliation package may be necessary. We expect Republicans to quickly align with him.

HIGHLIGHTS IN HEALTHCARE



8 HIGHLIGHTS IN HEALTHCARE

What to expect from Trump nominees, Congress

- 1. Topline:** Given the breakdown of a broader healthcare package at the end of the year, expect Congress to pick up where they left off on many key health programs and priorities now expiring on March 31st. In addition, lawmakers and the incoming Trump Administration will likely focus on targeting the high cost of prescription drugs, rolling back Biden-era health regulations, enhancing price transparency, and lowering out-of-pocket costs.
- 2. Nominees:** The new Senate Majority will prioritize the confirmations of top health nominees, including Robert F. Kennedy Jr. as Secretary of the Department of Health and Human Services (HHS) and Dr. Mehmet Oz to lead the Centers for Medicare and Medicaid Services (CMS). These nominees signal a shift in key health agencies' vision and priorities. It is unclear how their priorities, like RFK Jr.'s passion for addressing chronic disease and increased transparency around vaccine data, will impact the broader health agenda in 2025.
- 3. Offsets:** To help offset the costs of reconciliation plans, lawmakers may look to healthcare policies that address pharmacy benefit managers (PBMs), limit provider payments through site-neutral payment policies, and make changes to Medicaid.
- 4. Health Insurance:** While Affordable Care Act (ACA) repeal is unlikely, the Trump Administration will seek to make administrative changes to the law through its regulatory authority. Changes could include cutting funding to the ACA Navigator programs, shortening Marketplace enrollment windows, and expanding association and short-term health plan options. The Trump Administration and Congress must also grapple with the expiration of advance premium tax credits in 2025.
- 5. Medicaid:** We anticipate the Trump Administration will continue supporting waivers that include work requirements, while also pursuing legislative changes impacting expansion populations and state financing arrangements, including state-directed payments and intergovernmental transfers.
- 6. Prescription Drug Costs:** President-elect Donald Trump has expressed concerns about the role of PBMs in driving prices and we expect the Administration will maintain the focus on PBM reform. In addition, the end of year healthcare negotiations took an unexpected turn after congressional Republicans and Democrats appeared to agree on PBM reforms, but they were left out of the final package. These policies, along with other consensus items, are likely on the list for consideration early next year.

Under the Inflation Reduction Act (IRA) drug price negotiation program, CMS is scheduled to select up to 15 new drugs for negotiation by February 1st. Some congressional Republicans have criticized the program, but Trump has voiced support for using every tool available to lower the cost of drugs. How Trump will approach negotiating authority, and whether Congress will consider easing negotiation rules, remains to be seen. Lawmakers and the incoming Administration may also consider ways to promote drug importation, scale back the 340B program, and reduce drug prices compared to other nations.



HIGHLIGHTS IN HEALTHCARE

7. **Medicare:** While Trump has consistently opposed Medicare cuts, we anticipate that Medicare changes will feature prominently in his agenda. These changes may include prioritizing Medicare Advantage over traditional Medicare, along with legislative and regulatory reforms affecting Medicare Advantage and Medigap. The Trump Administration may consider expanded support for Medicare coverage of innovative technologies. We expect proposals to limit provider payments through adjustments to uncompensated care and debt calculations, as well as site neutrality reforms. The new Department of Government Efficiency (DOGE) has expressed interest in enhancing price transparency in healthcare and reining in improper payments and fraud in Medicare.
8. **Everything Else:** We anticipate the Administration and Congress will consider policies regarding workforce shortages, artificial intelligence (AI) in healthcare, cybersecurity, and onshoring/nearshoring pharmaceutical supply chains. With changing committee dynamics in Congress and new officials in key health policy roles in the Trump Administration, federal engagement is critical to ensure respective priorities are at the forefront of policy discussions.

3 NEED-TO-KNOWS IN FOREIGN POLICY

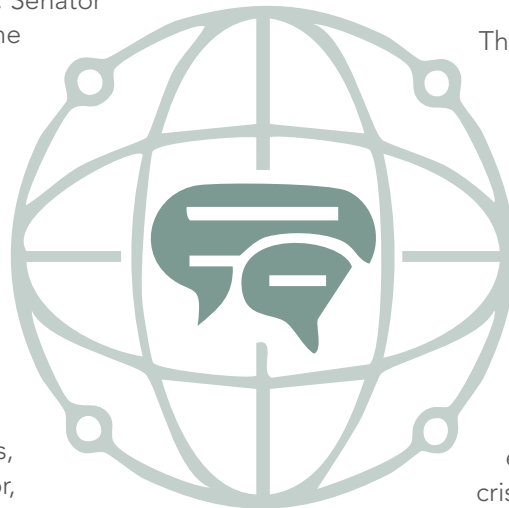
Rubio, Risch, and a really long list of challenges

1 Rubio to Lead: Trump has nominated Senator Marco Rubio (R-FL) for Secretary of State, a move some hope will bring a more traditional approach to U.S. leadership abroad. Because Rubio has not been wholly aligned with Trump’s “America First” leadership style, many will watch the interplay between his leadership at Foggy Bottom and the yet-to-be-named National Security Council staff driving foreign policy out of the White House.

2 More Congressional Action: Senator Jim Risch (R-ID) will reclaim the Senate Foreign Relations Committee (SFRC) gavel, reprising the role he held during the previous Trump Administration, joined by new Ranking Member Jeanne Shaheen (D-NH). Many hope the new leadership will be better connected, resulting in more oversight hearings, committee markups, legislation moving to the floor, and confirmed nominees.

In the House, many were surprised that Rep. Brian Mast (R-FL) was handed the House Foreign Affairs Committee (HFAC) gavel. Mast has mixed geopolitical views: He’s a veteran who understands global affairs, and he’s an “America First” supporter who’s skeptical of the foreign policy establishment. He is likely to coordinate with Trump allies; support disrupting parts of the Department of State and USAID; and seek cuts to foreign aid and disengagement from multilateral institutions. Ranking Member Greg Meeks (D-NY) will remain a strong voice for democracy, likely seeking to cooperate where possible, and loudly pointing out any perceived missteps in the run up to the 2026 election.

3 New Geopolitical Landscape: Countering the People’s Republic of China (PRC) is a bipartisan effort. Trump has vowed to stop the war in Ukraine upon taking office and mused about a departure from NATO, shifting Europeans towards enhanced EU-wide defense cooperation to ward off potential Russian aggression. The tentative negotiated peace agreement in the Middle East is complicated by other political, security, and financial woes in the region, including the downfall of Syria’s Assad and economic insecurity in Lebanon.



The past few years resulted in a host of coups d’etat; the rise of autocrats and those with anti-democratic sentiments; votes of no confidence leading to overturned governments; and increasing disenfranchisement with multilateral institutions. The global challenges of rising populations, increased instability, global health threats, climate and major weather events, and unending humanitarian crises are becoming more disruptive and increasingly impossible to address with global government and multilateral resources alone. The world will be watching closely to see how the Trump Administration seeks to address such challenges.



SPOTLIGHT ON TARIFFS

A top campaign issue is about to hit primetime

- The first 100 days of the incoming Administration's trade agenda may see President-elect Donald Trump's tariff-related campaign pledges in action: [a 10 to 20 percent](#) across the board tariff on products from all trading partners; [a 60 percent tariff](#) on Chinese goods; [a 10 percent tariff](#) on Chinese goods related to fentanyl trafficking; [a 25 percent tariff](#) on goods from Mexico and Canada related to fentanyl trafficking and unlawful border crossings; [a 100 percent tariff](#) on goods from BRIC (Brazil, Russia, India, China) countries if they move away from the dollar.
- Trump could modify existing Section 301 duty rates on Chinese goods to carry out many of his China-related tariff pledges. He also could utilize his broad authority under the [International Emergency Economic Powers Act \(IEEPA\)](#) to move quickly in imposing tariffs early in the incoming Administration – potentially as soon as January 20, as he has said.
- It is unclear the extent to which Trump will rely on Section 301, Section 232, and Section 201, as he did during his first term. Also uncertain is the future of the Biden Administration's Section 301 investigation targeting the maritime, logistics, and shipbuilding sectors; as well as policies put on hold, such as digital services taxes and the Boeing-Airbus trade dispute.
- The Senate will aim to quickly confirm Trump's trade-related nominees, including Howard Lutnick for Commerce Secretary and Jamieson Greer for United States Trade Representative (USTR). For reference, the Senate Commerce Committee considered the nomination of Wilbur Ross for Commerce Secretary in January 2017 (confirmed February 2017) and Senate Finance considered Ambassador Robert Lighthizer's nomination to USTR in March 2017 (confirmed in May 2017).

Click [here](#) to view our comprehensive trade policy outlook.

Click [here](#) for a memo on presidential tariff authority.

Click [here](#) for a memo on the 2026 USMCA review.

UPDATES ON CYBERSECURITY

Healthcare, harmonization and more

President-elect Donald Trump's leadership on cybersecurity is critical to addressing threats from China. The Salt Typhoon hack, which targeted U.S. telecommunications networks, was a significant escalation in China's cyber operations against American infrastructure. The hack, which reportedly compromised sensitive devices including phones belonging to high-profile officials, Trump, and members of his campaign, has triggered calls from Capitol Hill and cybersecurity experts for a strong, coordinated response.

WHAT WE ARE WATCHING IN THE OPENING MONTHS OF THE 119TH CONGRESS:

Healthcare and Hospitals: Hospitals remain prime targets for cybercriminals due to the sensitive and valuable nature of health data, as well as vulnerabilities in healthcare systems, and Congress is looking at how to address healthcare cybersecurity. We expect reintroduction of two pieces of legislation in the 119th, the [Health Infrastructure Security and Accountability Act](#), and the [Health Care Cybersecurity and Resiliency Act](#).

Deregulation: The debate over the Securities and Exchange Commission (SEC) proposed cybersecurity disclosure rule from [March 2022](#) reflects a larger issue between regulatory oversight and concerns over business flexibility—the focal point for policymakers as cyberattacks intensify. The proposal mandates that public companies disclose material cyberattacks within four business days of determining their significance, with the aim of enhancing transparency and ensuring that investors are informed about potential risks.

Paul Atkins, Trump's nominee to lead the SEC, may push back on the rule or revise it. Atkins is skeptical of regulations he views as excessively burdensome, and Senator Thom Tillis (R-NC) and Rep. Andrew Garbarino (R-NY), who introduced a Congressional Review Act (CRA) to nullify the proposed rule, will likely continue advocating for the SEC to modify it or roll it back.

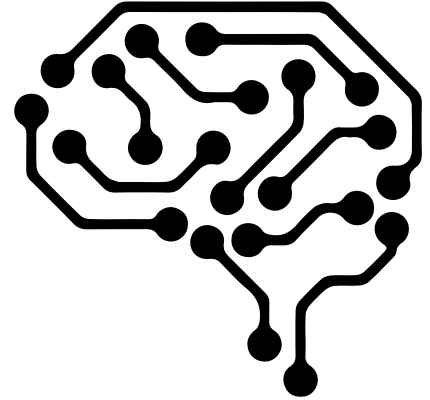
Harmonization: As concerns grow about overlapping cybersecurity rules hamstringing businesses, Senate Homeland Security and Governmental Affairs Committee (HSGAC) senior Democrat Gary Peters (D-MI) – who served as Chairman last Congress and will serve as Ranking Member in the new Congress – wants to fix the problem with his [Streamlining Federal Cybersecurity Regulations Act](#). The bill may have the best chance of success in the 119th, given that it rolls back regulation – a Republican priority.



ALL ABOUT ARTIFICIAL INTELLIGENCE (AI)

Congress to work on a regulatory framework

As his first major AI policy, President-elect Donald Trump is expected to reshape elements of the so-called “radical leftwing ideas” in President Joe Biden’s Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence. While implementation is well underway, making full repeal unlikely, the Trump Administration can remove certain restrictions, while continuing efforts to promote AI development and competitiveness.



Anticipated Trump Priorities

- ⇒ Revamping regulations
- ⇒ Emphasizing innovation and deregulation
- ⇒ National AI research initiatives
- ⇒ AI workforce development
- ⇒ Global competitiveness

For a comparison of President Biden and President-elect Trump’s approach to AI policy, click [here](#).

Leadership

On December 5th, Trump announced David Sacks as his pick for “AI Czar.” In this new role, Sacks will lead on AI and cryptocurrency policies. He will also reportedly lead the Presidential Council of Advisors for Science and Technology. See [here](#) for the full biography.

We expect Congress to work on a regulatory framework—addressing issues such as safety, accountability, and ethical use of AI systems—and we expect increased coordination between Congress, federal agencies, and the private sector in the development of this framework.

QUICK HIT ON TECH POLICY

Expect action on the Kids Online Safety Act (KOSA)

Republican control isn’t likely to slow tech interest. The rise of Republican populism plus bipartisan concerns about social media and artificial intelligence (AI) will continue fostering strange bedfellows. This past Congress, Sen. Lindsey Graham (R-SC) partnered with Sen. Elizabeth Warren (D-MA) on a tech regulation bill and Senators Ted Cruz (R-TX) and Amy Klobuchar (D-MN) passed a bill combatting revenge pornography. Congress tackled “low-hanging fruit” tech bills last year, clearing the decks for complicated issues, such as the Kids Online Safety Act (KOSA). That bill passed the Senate by an astonishing 91-3 – expect enthusiasm for House passage this Congress.

QUICK HIT ON ANTITRUST

Robust antitrust enforcement likely to persist

We expect antitrust law enforcement like the past four years. President-elect Trump has selected robust antitrust law enforcers, especially in the tech industry, for Department of Justice (DOJ) and the Federal Trade Commission (FTC) positions. As a result, we do not expect the DOJ or FTC will abandon many Biden Administration cases, particularly those against Google, Amazon, and Apple. One change: we expect the Administration to contest fewer small, less controversial deals.

The Administration and new Congress will set a fast pace over the next three months. Virtually every policy area will see newsworthy developments. Your team at Tiber Creek Group will pay close attention to all of it and will keep you apprised with real time intelligence and analysis.

If you have questions on any of these issues, please don't hesitate to contact any one of us.

www.tibercreekgroup.com

