



3p Weekend: In the Trump Era, Uncertainty is the Name of the Game

Mary Mazzoni

January 27, 2017

Uncertainty was in no short supply in the lead-up to Donald Trump's presidential inauguration. Last week, most conversations centered around the possibility of repealing the Affordable Care Act, more commonly known as Obamacare, without a replacement — a move critics say could cost 2.6 million jobs (mostly in the private sector) and a cumulative \$1.5 trillion loss in gross state products.

But as the new administration got down to business this week, the albatross of the unknown reached monumental proportions. And while the media was often distracted by Trump's over-estimated crowd sizes, "millions" of illegal voters and "big, beautiful" border wall, many insiders grew uneasy about the scope of the administration's early actions and the unpredictability of the Trump White House.

Don't expect us to clear it up for you, but we can all give it our best shot together. This week we're taking stock of what we know, what we don't know — and whether or not it's truly time to panic.

Withdrawal from the Trans-Pacific Partnership

If you're playing catch-up, here's the gist. The Trans-Pacific Partnership is a trade deal between the United States and 11 other countries from the Pacific Rim region: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The Obama administration supported the plan, but it was rife with controversy nearly from the start. Critics pointed to the fact that negotiations were closed to the public, but open to select business interests.

In October of last year, the Coalition for a Prosperous America and the American Sustainable Business Council spoke out against the TPP. The groups — representing over 250,000 American businesses, primarily small- and medium-sized companies — urged Congress not to hold a “lame duck” vote on the deal after the November elections.

“A President Clinton or a President Trump deserves the opportunity to re-examine trade policy with a new analysis to determine what works and what does not,” the groups said in their letter. Well, now that time has come.

On his first full day in office, President Donald Trump formally abandoned the TPP via executive order. Former presidential hopeful Sen. Bernie Sanders (I-Vt.) and several Rust Belt Democrats praised the decision, though many stopped short of complimenting Trump himself.

Opponents said the trade deal could carry unintended consequences like a rise in the U.S. trade deficit, a widening wage gap and a decline in American manufacturing. But not everyone is happy to see it go, with some experts warning a bow-out from the U.S. could leave the door open for an “era of Chinese-led trade deals.”

Cutting federal regulations “by 75 percent”

Trump made a bold claim in a meeting with business leaders on Monday: “We think we can cut regulations by 75 percent. Maybe more, but by 75 percent.”

As Chris Arnold of NPR pointed out, “Republicans do seem serious about some kind of regulatory reform.” But is eliminating 75 percent of federal regulations even possible? Most experts say no.

One of those experts is Peter Van Doren, an economist with the Cato Institute, a free-market think tank. Historically, no president has been able to roll back regulations on anything resembling that scale, he told NPR. “I think it’s gonna be probably somewhere in the moderate to small range,” he predicted.

In fact, the real movement on rolling back back regulations may happen in Congress. In early January, the House passed the Regulations from the Executive in Need of Scrutiny Act of 2017, or REINS Act. If enacted, no agency could issue a new regulation unless it amended or repealed some other rule or rules “to completely offset any annual costs of the new rule to the American economy,” the Atlantic reported this week. It could also require Congressional approval for federal regulations set by agencies.

Muzzling science

Earlier this week, the Trump administration instructed employees at certain federal agencies to stop communicating with the public through news releases, official social media accounts and all forms of correspondence.

The gag order pertains to agencies whose work is science-based and involves the environment, namely the Environmental Protection Agency and divisions of the departments of Interior and Agriculture, reports 3p's RP Siegel.

It's not unusual for a new administration to institute new policies concerning communication with the public. But given the free exchange of information we're used to in the digital age, the moves came as a shock.

And when the administration ordered the EPA to remove all references to climate change from its website, scientists became especially concerned. The administration appeared to back down from that plan later in the week. But to many experts, including us here at 3p, these apparent attempts to quash scientific discourse seemed strange at best.

Fortunately, some scientists are responding directly to the social media blackout and growing public concerns. Rogue Twitter accounts mimicking a number of federal agencies ordered to shut down social media began to pop up this week, garnering millions of followers. And a growing number of scientists say they're now considering a run for public office.

Turmoil in the State Department

On Wednesday, insiders were shocked to learn the State Department's entire senior-level management team tendered their resignations. "All are career Foreign Service officers who have served under both Republican and Democratic administrations," wrote Josh Rogin of the Washington Post, which first reported the resignations.

Since then, we've seen conflicting reports — some saying the officials resigned rather than serve under Trump, and others saying the administration asked them to leave as part of an effort to "clean house." In any event, the move troubled experts.

"It's the single biggest simultaneous departure of institutional memory that anyone can remember, and that's incredibly difficult to replicate," David Wade, who served as State Department chief of staff under Secretary of State John Kerry, told the Washington Post. "Department expertise in security, management, administrative and consular positions in particular are very difficult to replicate and particularly difficult to find in the private sector."

Approval of Keystone XL and Dakota Access pipelines

On Tuesday, Trump cleared the way for construction to resume on the controversial Keystone XL and Dakota Access pipelines.

As a refresher: Keystone XL would carry heavy crude from the Alberta tar sands for over 1,100 miles through America's breadbasket to refineries on the U.S. Gulf Coast. Dakota Access would extend another 1,100 miles to bring crude from the Bakken oil fields of northwest North Dakota to a hub in Patoka, Illinois.

Critics long questioned the validity of Keystone XL, saying demand for tar sands drops significantly as oil prices fall. Climate advocates also worried about the use of tar sands oil, which is 17 percent worse for the environment than traditional forms of crude oil, from wellhead to tailpipe, according to the Natural Resources Defense Council. And this week many pointed to the State Department impact report that catalyzed the Obama administration's decision to reject the pipeline as a reason why it should not go forward.

The Dakota Access pipeline, which would pass within just half a mile of the Standing Rock Sioux reservation in North Dakota, is equally controversial. Members of the Standing Rock tribe, as well as thousands of other Native Americans and their supporters, fiercely protested the construction — and many are still braving the North Dakota winter in protest camps near the pipeline site.

The administration says the pipelines will create jobs and help the U.S. gain energy independence. But critics say the risk to America's water sources is too great to bear, and eagerly point out that most of those jobs will be temporary and most of the oil that will travel through the pipelines is destined to be exported. The battle will likely rage on. But, environmental impact reports in hand, most in the sustainable business community view these pipelines as a stopgap measure at best — and one that's unlikely to quell the rise of the clean-energy economy.

A change for automakers... maybe?

On Tuesday, Trump convened a meeting with the CEOs of Ford, General Motors and Fiat Chrysler to talk about bringing manufacturing jobs back the United States.

In the past, the new president said he would levy a selective 35 percent tax on companies that outsource production to other countries and then import goods back to the U.S., including automakers. He also sent angry tweets to GM and Toyota, scolding them for building cars in Mexico.

All things considered, Trump is hardly the first person to advocate for a revival of U.S. manufacturing — particularly in the auto industry, which continued to outsource production even after receiving federal bailouts.

But the administration seemed to backtrack on Trump's border tax plans. Press secretary Sean Spicer initially floated a 20 percent border tax on Thursday. But White House Chief of Staff Reince Priebus quickly chimed in, saying the tax was merely part of a "buffet of options," reports USA Today.

So then what's the plan to stimulate American auto manufacturing? If the Atlantic's report of Tuesday's meeting is any indication, Trump aims to make America "more attractive" to

automakers by rolling back environmental regulations — a shift that may alienate Democrats who otherwise support steps to bolster U.S. manufacturing.

The mysterious infrastructure plan

On Wednesday, McClatchy and the Kansas City Star released a 50-item list of infrastructure priorities compiled by the Trump administration. The projects would cost at least \$137 billion, though it's unclear whether the plan is finalized or simply a draft. The Star later reported the list came from a consulting firm. You can see the remarkably green-minded document [here](#).

Infrastructure is one key area that may drive a rift between Trump and his Republican cohorts — and make strange bedfellows of the new president and some of his most vocal critics.

Both Democratic presidential candidates — Hillary Clinton and Bernie Sanders — floated multibillion-dollar infrastructure plans on the campaign trail. President Barack Obama also proposed several infrastructure packages that were rejected by Congress, before the House and Senate passed their own \$305 billion highway bill in 2015.

Although the \$137 billion package released this week is worth far less than Trump's campaign promises — he vowed to “double” the \$275 billion in infrastructure spending proposed by his Democratic opponent, Hillary Clinton — it gave a glimmer of hope to some seeking collaboration on Capitol Hill. The proposed package also includes spending on wind energy transmission and renewable energy storage — another hint that this may be a point of contention between the White House and some Congressional Republicans.