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Trump Inc.: How a Second Administration Could Rewrite the Way America Does Business

The president-elect is likely to oversee a more hands-off, business-friendly approach to policy and regulation

By WSJ Pro Staff

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President-elect Donald Trump's victory in Tuesday's election has business leaders contemplating how the new administration could reshape policies ranging from the environment to technology and corporate taxes.

Trump's stated goals have been to freeze new climate regulations, introduce protectionist measures for American-made products—particularly in high-tech industries—and streamline the bureaucracy and cost of the federal government, among others.

Republican control of the Senate should boost Trump's efforts, including by easing the way for swift approval of his agency nominees and leadership of oversight committees.

Here are key areas where the new administration could shift or even reverse Biden strategies.

Technology

AI deregulation. Trump will likely take a business-friendly approach to federal oversight of artificial intelligence. Big Tech and startups alike have pushed for a light touch on AI safety and transparency rules, which they say would keep innovation flowing. The Biden administration last year issued an executive order on AI, which Trump has said he would dismantle. The order covered things like monitoring the training and outputs of AI models.

Doing away with the order could cut red tape and speed up product launches, said Daniel Castro, vice president of the Big Tech-funded think tank Information Technology and Innovation Foundation. On the other hand, it could make things harder for enterprises, who would have to take on the onus of investigating AI model safety.

On-shoring of chip manufacturing. The bipartisan Chips and Science Act, signed into law by President Biden in 2022, has recently come under attack by Republicans, including Trump, who have criticized the federal government's role. The bill is designed to funnel some \$53 billion in subsidies and tax credits toward domestic semiconductor manufacturing facilities.

Cyber enforcement priorities. The next administration will likely pare back enforcement actions intended to protect consumers in favor of national security cases, said Brenda Sharton, chair of the cybersecurity, privacy and AI practice at law firm Dechert.

Trump's team might repeal Biden-era executive orders on cybersecurity, instead pushing states to enforce their own cyber rules, said Michael McLaughlin, co-leader of the cybersecurity and data privacy group for the law firm Buchanan Ingersoll & Rooney.

Federal agency reorganization. The next administration is likely to tackle the patchwork of federal agencies that currently regulate cybersecurity, said Stuart Madnick, professor of information technology at the Massachusetts Institute of Technology's Sloan School of Management.

"I think Trump's the kind of person who will likely take that on, more so than many others," he said. Project 2025, a conservative policy agenda produced by a number of former Trump staffers, has proposed significantly reorganizing the Cybersecurity and Infrastructure Security Agency by distributing its responsibility among other agencies. Trump has distanced himself from Project 2025 in public comments.

Cyber threats. The next administration is likely to take a more aggressive approach to handling cybersecurity threats from foreign adversaries, including those from China, and technologies such as AI and quantum computing, said Brian Harrell, a former senior official in the Department of Homeland Security

during the first Trump administration. He expects greater funding for military and intelligence cyber capabilities.

“This includes offensive and defensive cyber operations to deter and respond to cyberattacks from foreign adversaries,” said Harrell, who is now the chief information security officer for energy company Avangrid.

Financial regulation

Biden rules review. Wall Street lobbyists on Wednesday said they were hopeful the incoming administration would take a hard look at some of the Biden administration’s more controversial proposals, including capital requirements for big banks and consumer finance protections.

History suggests undoing many Biden rules might not be easy. If Republicans succeed in winning the House as well as the Senate, they may invoke the Congressional Review Act, which allows lawmakers to vote to overturn regulations finalized within a 60-day legislative window. In 2016, a Republican-controlled Congress used the act to roll back 16 regulations issued in the final months of the Obama administration.

This time around, Biden’s regulators made a push to finalize key regulations early, putting them outside the window for congressional review. That means that for many Biden regulations, an incoming Trump administration would be forced to go through a lengthy repeal and replace process.



SEC Chair Gary Gensler. PHOTO: MIKE SEGAR/REUTERS

Gensler's SEC tenure. The change in administration will mean the likely end of SEC Chair Gary Gensler's time as leader of the financial regulator. His term isn't scheduled to expire until 2026 but it is customary for the SEC chairman to resign when a new administration takes over.

Gensler has had an ambitious rule-making agenda, including a signature effort to mandate that publicly traded companies disclose carbon emissions and climate-related risks. Gensler also cracked down on the cryptocurrency sector, characterizing the industry as rife with fraud and presiding over a number of legal actions.

Trump has criticized Gensler's work, saying he would fire him on "day one." Kristin Smith, chief executive of the Blockchain Association trade group, said Wednesday that she looked forward to seeing that happen.

The new administration will likely appoint leadership friendlier to the financial-services industry than Gensler and Lina Khan, chair of the Federal Trade Commission, said Brett Palmer, president of the Small Business Investor Alliance, which lobbies on behalf of smaller private-equity firms. "The private markets are pretty excited" about the prospect, he said.

Private equity's retail push. Trump's victory will likely aid private equity's efforts to raise money from individual investors, an industry priority. During the first Trump administration, SEC leadership expanded the pool of so-called retail investors allowed to back private-equity funds, and the Labor Department sought to allow private equity into workers' retirement plans.

Carried-interest tax. In Congress, Republican victories lower private equity's anxiety about the tax negotiations expected to take place next year. Now, the carried-interest tax treatment—an industry priority often criticized by Democrats—is unlikely to be seriously threatened, while key provisions from the 2017 Tax Cuts and Jobs Act benefiting the industry will more likely be extended, lobbyists say.

Climate

The Inflation Reduction Act's future. On the campaign trail, Trump promised to claw back all or part of the Inflation Reduction Act, the Biden administration's

signature climate policy. It is unclear if Republicans would pursue a full repeal of the law, said Julien Dumoulin-Smith, an analyst at Jefferies. The law, which has routed funding to many red states, has won support from some lawmakers whose districts have benefited from new investments.



Travelers commute on the I-290 highway in Chicago. Rules released by the EPA this year aim to push the auto industry toward majority EV sales by early next decade. PHOTO: JIM VONDRUSKA/REUTERS

EPA emissions rules. Environmental Protection Agency emissions rules for cars, buses and heavy-duty trucks that were issued earlier this year are likely to come under scrutiny by the Trump administration. The agency's stricter rules for tailpipe emissions stretch out over several years, with targets from 2027 to 2032. The trucking industry also is supposed to reduce emissions over a similar timeline. Trucking groups are suing over the mandate, which the American Trucking Associations says is unachievable with the current state of zero-emissions technology.

SEC climate disclosure rules. Under Biden, the U.S. Securities and Exchange Commission proposed regulations to mandate corporate disclosures about greenhouse gas emissions. The rules were stalled by legal challenges, and the Trump administration will likely let them "die on the vine," said Christian Schultz, partner at the law firm Arnold & Porter.

Many companies likely will still be subject to climate disclosure mandates soon through requirements rolling in from California, the European Union and elsewhere.

Paris Agreement exit. Trump has promised to walk away from the landmark multinational Paris Agreement, a global commitment to reduce emissions, just as he did in his first term. As one of the world's largest greenhouse gas emitters, a U.S. abandonment of the accord would raise concerns about the country's leadership in the climate space, said Scott Segal, partner at energy law firm Bracewell's Policy Resolution Group.

Trade

Tariffs talk. Trump's talk during the campaign about his plans for sweeping new tariffs raises the potential for a sharply confrontational American trade regime that could reset the flow of goods around the world. Calling tariffs "the most beautiful word," he has suggested new levies of 10% to 20% on all imports, a tariff of 60% or more on imports from China, and tariffs of up to 100% on some imports from Mexico. That would raise the cost of goods for U.S. importers and may leave American exporters facing greater hurdles to reaching overseas markets if other nations respond in kind.

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