

## Cozen Currents: The CEO's Guide to Trump 2.0

“CEOs tended to take a wait and see approach at the start of the first Trump administration. But it would be a mistake not to engage early and often with Trump 2.0.” — Howard Schweitzer, CEO, Cozen O'Connor Public Strategies

### The Cozen Lens

- President-elect Trump values loyalty and relationships, making engagement with the White House essential for business leaders. A personal approach can pay dividends.
- Having announced all but a handful of cabinet appointments to date, Trump is in the process of rounding out his economic team, drawing on nominees from both the traditionally conservative and the protectionist wings of the GOP.
- Trump's elevation of skeptics to lead health agencies they've long criticized signals major shake-ups coming to health care.

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### How CEOs Should Engage with Trump 2.0

**Re-Engaging with Trump.** The C-suite is tasked with rebuilding relationships with President-elect Trump.

- In his third bid for the White House, Trump received little direct financial support from business leaders. Only one Fortune 100 CEO donated to his campaign (Elon Musk), a major decline from the 42 who gave money to President George W. Bush in 2004. Between 2001 and 2022, the political views of executives have moved left, becoming more centrist than conservative.
- This creates a challenge for the C-suite under Trump 2.0 because the president values loyalty. “I've told CEOs to engage as fast as possible because the clock is ticking. ... If you're somebody who has endorsed Harris, and we've never heard from you at any point until after the election, you've got an uphill battle,” a Trump advisor told The Washington Post.
- Trump has pledged retribution against companies he feels have wronged him, making engagement crucial. For example, he called for Google to be prosecuted for search results he saw as biased and urged ABC to be stripped of its broadcast license after the presidential debate.

**Relationships are Key.** Trump is transactional and a personal approach has shown signs of success.

- During Trump's first term, Apple CEO Tim Cook built a relationship with him through phone calls and shared meals. Cook's personal touch paid off with Trump partially walking back a proposed 2019 China tariff that would have affected Apple.
- Other tech executives have moved to shore up their relationships with the president-elect this year. Alphabet CEO Sundar Pichai and Amazon CEO Andy Jassy spoke with Trump in the weeks before the election and Meta CEO Mark Zuckerberg, who has had a troubled relationship with Trump, had dinner with him at Mar-a-Lago last week and called his response to the July 2024 assassination attempt in Butler, PA “badass.”



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- The Los Angeles Times, owned by biotech entrepreneur Patrick Soon-Shiong, and The Washington Post, owned by Amazon founder and Blue Origin CEO Jeff Bezos, both declined to issue presidential endorsements this year. Trump praised the decisions as implicit support of him.

**Aligning Corporate and Political Agendas.** The battle lines in the culture wars have shifted between Trump's first and second terms. Companies need to adapt their strategies to the changing social climate.

- Trump swept the battleground states after running a campaign that promised to fight back against developments seen as "woke." While companies were embracing ESG and DEI policies eight years ago, many voters have felt these policies have gone too far, triggering a backlash.
- This is a dramatic shift from the political and social environment of just four years ago, when many were looking to the C-suite for leadership following the police killing of George Floyd in Minneapolis and a surge in activism. Trump's victory sends a signal that the politics around social issues – and the associated expectations for business leaders – are evolving.

### Trump's Economic Team

**A Treasured Role.** Following a protracted fight among the potential candidates, President-elect Trump selected Key Square Group CEO Scott Bessent to be his Treasury secretary, placing a nominee well-respected by Wall Street in one of the administration's top economic roles.

- Trump's selection of Bessent reassured investors and analysts alike, signaling that more traditionally conservative economic views could potentially win out over protectionist trade policies. In interviews before and after his selection, Bessent indicated that his top priorities in the new role will be to shrink the deficit and extend the expiring provisions of Trump's 2017 Tax Cuts and Jobs Act (TCJA). Bessent has argued that the federal deficit can be reduced from 6.2 percent of GDP to just three percent through a combination of deregulation and increased domestic energy production. To achieve these goals, he's signaled support for a rollback of the Inflation Reduction Act's green energy tax credits and a freeze on nondefense discretionary spending.
- Those worried about Trump's tariff threats breathed a further sigh of relief last week when Trump announced Kevin Hassett as his director of the White House National Economic Council. An advocate for tax cuts, Hassett is expected to work closely with Bessent and congressional lawmakers on an extension of the TCJA. While Hassett is an alumnus of the first Trump administration and a supporter of the president-elect's economic and trade policies, he has at times acknowledged the negative impacts tariffs can have on domestic growth.
- While Bessent and Hassett's stated priorities are cut from a more traditionally conservative cloth, their voices in the new administration will compete with those of incoming Commerce Secretary Howard Lutnick and incoming United States Trade Representative (USTR) Jamieson Greer. An acolyte of former USTR and tariff proponent Robert Lighthizer, Greer advocated earlier this year for a strategic decoupling from China that would include higher tariffs and a revocation of the country's permanent normal trade relations status. For his part, Lutnick has championed Trump's tariff agenda – including the negotiating strategy of threatening sweeping tariffs – and he will now play a key leadership role in implementing it.

**Trump's Wall Street Watchdogs.** With most of his cabinet filled out, Trump is expected to announce his appointments to the independent regulatory agencies that oversee Wall Street in the coming weeks.

- Among the most anticipated appointments of the cycle is Trump's expected

selection of a new chair for the Securities and Exchange Commission (SEC). Industry, in particular the digital assets sector, chafed under the rule of outgoing Chair Gary Gensler. Both Gensler and Democratic SEC Commissioner Jaime Lizarraga plan to step down mid-January, giving Trump two openings on the commission to fill. Bloomberg reports that former SEC Commissioner and crypto and fintech proponent Paul Atkins is a leading contender for the role of chair. Whether it's Atkins or another name in the mix, Trump's SEC is expected to focus on expanding access to capital markets and to take a friendlier approach to digital assets.

- Trump's victory is also engendering new interest in chairing the Commodity Futures Trading Commission (CFTC), which could be in for a boost in prominence under Trump's leadership. Passage of a crypto market structure bill would make the CFTC the only regulator of spot digital commodity transactions and boost the agency's budget. Capitol Account and Bloomberg report that Willkie Farr & Gallagher partner Neal Kumar, Milbank partner Joshua Sterling, former GOP Commissioner Jill Sommers, and the agency's two current GOP commissioners are all in the running for the top role. No matter who is selected, the buck on crypto policy may not stop with the SEC or CFTC chairs, but instead with a new White House crypto czar per reporting from Bloomberg.

- The prudential regulators are also in for significant turnover with Federal Deposit Insurance Corporation (FDIC) Chair Martin Gruenberg set to step down on January 19th and acting Comptroller of the Currency (OCC) Michael Hsu expected to follow Gruenberg's lead. Consumer Financial Protection Bureau Director Rohit Chopra is also expected to step down or else be fired. The turnover will give Trump administration regulators significant power to roll back recently updated bank merger guidance at the FDIC and OCC while also scaling back proposed bank capital reforms.

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#### Trump's Healthcare Team

#### The Food and Drug . . .

- President-elect Trump's health picks share a common vision of shifting attention from medications and infectious diseases to holistic solutions and chronic conditions and believe much of the country's ills come from a poor diet of ultra-processed foods.

- As director of the National Institutes of Health, the nearly \$50 billion agency that oversees the nation's biomedical research, nominee and agency critic Jay Bhattacharya would have discretion to pivot the organization's focus in that direction. Trump's choice for director of the Centers for Disease Control and Prevention, Dave Weldon, could turn his personal vaccine skepticism into policy, making it more difficult for vaccines to be approved or recommended.

- While the health care team clearly aims for major reform, they'll be limited in some areas by the Republican Party's close ties to associated industries. While Health and Human Services secretary-designate Robert F. Kennedy Jr. wants to gut the fees that pay for the Food and Drug Administration's (FDA) approval process, Trump's pick to lead that agency, Marty Makary, instead wants to support innovation by speeding up the process. Though Kennedy is focused on revolutionizing how food is made in the US, Agriculture Secretary-designate Brooke Rollins, would also play a significant role in overseeing the nation's food supply and seems disposed to protect agricultural interests.

. . . **Administration.** Attention-grabbing opinions notwithstanding, the banal yet perhaps more important power these picks will receive is authority over the federal government's mammoth health care programs.

- The Centers for Medicare and Medicaid Services administrator-designate, Dr. Mehmet Oz, has previously advocated for elevating Medicare Advantage over traditional Medicare services, making telehealth flexibilities permanent, and has expressed interest in the potential for artificial intelligence in health care.

Overall, the healthcare picks have argued for the centralization of authority in agency heads. Makary accused the FDA of slow-walking the Covid vaccines' approvals and then not withdrawing recommendations for it in light of data concerning a rare medical condition, signaling a lower burden to rapidly change agency stances.

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