POTUS 45

Investment implications of likely Trump Administration priorities

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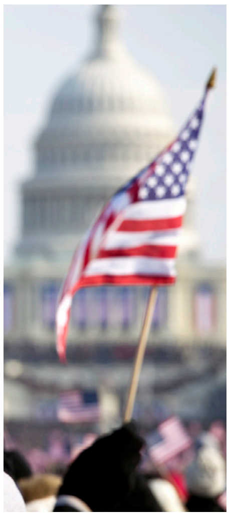

President-elect Donald Trump will become the **45th President** of the United States (POTUS), on 20 January 2017.

The acronym **POTUS** came into use by telegraph operators during the late 1800s.

A new set of rules

By Mike Ryan and Jason Draho

History will remember 2016 as a year of once unthinkable outcomes that marked a break with decades of prevailing orthodoxy. No break was bigger than the election of Donald Trump as president of the United States. But if these political shockwaves hit in 2016, the economic and investment implications will really begin to take effect in 2017 – and perhaps as soon as the first 100 days of his presidency. For that, investors need to be prepared for what the policies could be and their potential implications.

Political risk is already a perplexing investment challenge. At best, the risk is loosely tethered to economic principles and logic, and thus especially unpredictable. That's rarely been more applicable than this year. Against a global backdrop of rising nationalism, protectionism, and public frustration, we have a president-elect who operates according to an entirely different set of rules.

Not business as usual. It's important to keep in mind that the first 100 days of any incoming administration are critically important in terms of setting the leadership tone and establishing the governing agenda for the ensuing four years. But it may be even more important this time around. Because when Donald Trump takes the oath of office on January 20 and is sworn in as the 45th president it will mark the beginning of an entirely new era for American politics. Rather than rising through the ranks of the major parties as a traditional establishment candidate, Donald Trump forged his own way onto the political stage by tapping into a rising tide of populist discontent with the ruling elite.

His credentials as a "Beltway outsider" have only been bolstered by his cabinet designees and political appointees. From State, to Energy, to Labor, Trump's cabinet choices reflect a very different leadership style from what Washington has grown accustomed to (see table, pg. 8). While the experience level of Trump's leadership team is similar to that of other administrations, the type of experience is radically different. In sharp contrast to President Barack Obama's cabinet, which was populated with members whose experience had been almost exclusively limited to the public sector, Trump's cabinet designees are disproportionately drawn from the ranks of private enterprise and the military.

Since this president has no formal governing experience, the leadership team that he assembles matters a great deal in terms of stewardship. The prevalence of private sector experience suggests the next administration will take a fundamentally different approach toward addressing the most critical issues confronting the nation. It is pretty clear that the new administration will not only be much more "business friendly," but will also be far more skeptical about both public sector solutions and deeper global integration.

Mike Ryan discusses this edition of *POTUS 45* in a short video. Click the photo to watch.

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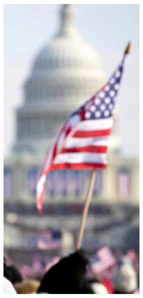

This shift in both philosophy and perspective is being reflected in the policy prioritization.

The manner in which the new administration engages with congressional leaders will also go a long way toward determining the ultimate success of the Trump agenda. As we've already noted, Donald Trump did not arrive in Washington in the traditional manner. He therefore lacks the natural alliances and allegiances that are typically built over a lengthy political career. So while Republicans may control both the executive and legislative branches, there are areas of potential disagreement between the two. Finding some "common ground" between freshly minted Trump enthusiasts, disaffected Tea Party supporters, and increasingly disenfranchised establishment Republicans will be challenging but is also essential.

This all suggests that there are both opportunities and risks as the new administration charts its course.

The policy apprentice. We therefore need to identify the likely policy priorities, assess the prospects for successful implementation, determine their effects upon the real economy, and then gauge the potential impact on investment portfolios. It's also important to note that each administration has only a finite amount of "political capital" to expend. This means that the sequencing of policy initiatives could also impact their probability of success. Spend too much time and effort on one issue – or attempt to do too many things all at once – and there simply may not be enough support left for other important priorities.

While there are many distinct initiatives that are likely to be proposed by this administration, we have placed them into four broader categories to help make the analysis less unwieldy. These categories include: tax reform; regulatory relief; spending initiatives; and global engagement. We have listed these as separate initiatives, but we recognize that there are interdependencies. For example, changes in the tax code such as border adjustments also has the potential to materially impact trade policy.

Each of these will be explored in greater depth in a series of follow-up reports that will be published over the first 100 days of the Trump administration. But for now, we'd like to hit upon some of the key features and implications for each, with an accompanying matrix summarizing the key points.

Stark divisions along party lines regarding personal tax reform means it's likely to be put off until 2018

Tax reform

The Trump administration is likely to propose the most comprehensive overhaul of the tax code since the Reagan era. Reforms are expected to focus on three areas: lowering corporate tax rates; providing a tax break for the repatriation of foreign earnings; and both a lowering and simplification of the personal income tax. Priority is on the first two, in part because they garner broad bipartisan support. In contrast, stark divisions along party lines regarding personal tax reform means it's likely to be put off until 2018. But even for corporate taxes, legislation is unlikely to be passed much before the August recess and possibly later because of a packed agenda and negotiations required on contentious issues – specifically, changes to interest deductibility, capital expensing, and especially a proposed border tax adjustment that provides tax advantages for exports over imports.

Regulatory relief

Over the past eight years there has been a sizable increase in both the volume and scope of new regulations. The Trump administration is committed to providing regulatory relief through a series of steps intended to ease the burden for US-based corporations, starting on day one of his presidency. While much of the media focus has been on the dismantling of the Affordable Care Act (ACA), these efforts are more far-reaching and are likely to come in three forms: (1) the rescinding of executive orders; (2) the passage of new legislation; and

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(3) a selective defunding or deliberate reduction of agencies. While the first can be accomplished by the stroke of a pen, the second two require congressional action. The industries that are likely to be most directly impacted will be energy, healthcare and financial services. However, manufacturing, technology and real estate will also be affected to some degree.

Spending initiatives

Much has been discussed about the prospects for a sizable infrastructure spending program. However, it is taking a back seat to other policy priorities and is unlikely to gain much traction until late 2017 or 2018. While some are still calling for a tax on the forced repatriation of foreign earnings to be used to fund new infrastructure spending, it appears that the bulk of the funding will come through public-private partnerships leveraging tax credits. Incoming Secretary of Commerce Wilbur Ross has outlined an ambitious 10-year plan that could ultimately deploy as much as USD 1 trillion toward new projects. The scope and scale of the plan may be unrealistic, but some progress is likely to be made in engaging the private sector for certain initiatives – especially in the utility and energy space.

Global engagement

The past three decades have seen a dramatic increase in global integration, evident in cross-border flows of goods, capital, and people. But this period of near-unquestioning fealty to the virtues of globalization appears to have crested. Part of Donald Trump's appeal to voters was his commitment to "Make America Great Again" by putting the interests of US citizens above those of non-citizens. On the trade front, we look for the Trump administration to take a much harder line with trading partners. This will likely include renegotiation of trade accords, complaints before the World Trade Organization (WTO) and the more liberal use of tariffs. As for immigration, the Trump team is apt to more aggressively enforce immigration laws and actively seek the deportation of illegal immigrants. The new administration has already put both allies and adversaries on notice that he will seek to "reset" US foreign policy on terms that favor US priorities over global interests.

The implications. For an economy that was supported largely by monetary policy for the past six years, the prospect of extensive fiscal

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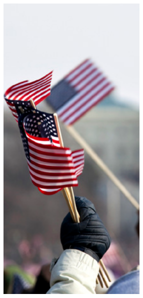

action is a clear positive. Financial markets have certainly bet on an outcome of higher growth since the election. However, based on current proposals regarding tax reform, regulatory relief, and infrastructure spending, the impact on GDP growth is likely to be modest and not materialize until late 2017 and 2018 – less than 0.5 percentage points in the fourth quarter of this year and the first half of 2018. Granted, it's difficult to quantify the intangible growth benefits that such reforms can have on unleashing "animal spirits" and both consumer and business sentiment surveys have shown improvement since the election. But those benefits may be more than offset by the administration's hardline approach to global engagement, impairing growth through new trade barriers and increased geopolitical tensions.

The investment implications going forward will depend not only on the actual policies, but also how much they differ from the current market consensus.

If the implications for growth are generally good, the effect on inflation and interest rates is less benign. This fiscal stimulus is occurring late in the cycle when the US economy is already operating near full capacity and inflation is trending higher, although it remains below the Federal Reserve's target. Companies scrambling to find skilled workers and tradesmen for infrastructure projects could increase wage inflation, though that's largely a 2018 risk. An easing of regulatory burdens could provide an offset, but that is only likely to slow, not halt, the rise in inflation. For now we expect inflation to continue to rise throughout 2017 and for the Fed to raise rates twice this year. But the gains from fiscal stimulus may need to be countered by more aggressive Fed tightening.

Financial markets have already reacted to this new policy agenda with a rally in equities and large sell-off in government bonds. The investment implications going forward will depend not only on the actual policies, but also how much they differ from the current market consensus. Expectations are fairly optimistic, and we still think the likely policies will be positive for US equities in 2017. In December 2016, we increased our 2017 S&P 500 earnings per share (EPS) forecast by 2% from USD 130 to USD 132.50 due to anticipated tax reform, with the potential for even more earnings upside. The rout in government bonds does appear to already reflect a stronger domestic economy and much of the impact of the new administration's reflationary policies. As such, we expect bond yields to trade in a higher range compared to 2016, but won't rise materially from current levels this year.

Similarly, the post-election gains in the dollar appear to be exaggerated. With global central banks expected to slow the pace of monetary accommodation and the greenback now appearing quite overvalued, we would expect the dollar to gradually weaken over time.

A framework for navigating complexity. If 2016 taught us anything, it's that the base case is only that, the most likely scenario and far from certain to occur. It's a lesson we take to heart in our assessment of potential outcomes in 2017. But evaluating policy proposals entails a different set of challenges than the Brexit vote and the US election. Those were discrete events with binary outcomes that could be assigned a probability, aided, however imperfectly, by polling. In contrast, the timing and details of legislation and executive orders – and whether they're even proposed – is far less defined. Moreover, the scope of many of the potential policies is vast, rife with complexity, and constantly shifting.

The aim of this and the forthcoming reports is to create a framework to assess, evaluate, and monitor potential policies that collectively touch on almost all aspects of the economy and financial markets. We will endeavor to provide clarity and guidance on the economic and investment implications as the rhetoric of this unprecedented administration turns into actions. ■

Priorities and impact

	Tax reform	Regulatory relief	Spending initiatives	Global engagement
Overview	**Expect a reduction in the corporate tax rate from 35%.** Proposals for the new rate: 15% (Trump) and 20% (Ryan), but 20-25% is more likely. Other reforms could include accelerated depreciation of capital expenses, reduced interest deductibility, and a border adjustment that taxes sales based on final destination (an advantage for exports over imports). **A tax break on the repatriation of foreign earnings is most likely**—it has bipartisan support and generates revenue. House Republicans will push hard, but legislation might not happen until August 2017 or later, due to complex negotiations. **Lowering and simplifying personal income tax rates is also a goal**, but may be difficult to achieve this year.	Relief is likely to come in three forms: rescinding of executive orders; passage of new legislation; and a selective defunding of agencies. Presidential action is likely to occur quickly as it is an easy win. **Congress can also overturn recently issued regulations** under the Congressional Review Act. Repeal and replacement of Obamacare is a priority, with a focus also on energy and environmental-related regulations (possible withdrawal from the Paris Climate Agreement), and an overhaul of Dodd-Frank. Congress will look to reform the federal regulatory process, requiring congressional votes on certain regulations from the executive branch.	President-elect Trump has mentioned a USD 1 trillion infrastructure spending package over ten years, as well as a boost in defense spending. **Actual spending is likely to be more modest, around USD 400 billion** over ten years. The Administration appears to be focused on public-private partnerships and tax credits tied to repatriation of foreign earnings to pay for the package. Consequently, the plan may only get Republican support. A new infrastructure program could be dealt with through the budget reconciliation process in 2017, but that could require other spending cuts. A more likely timeline is early 2018.	Donald Trump is committed to putting the interests of US citizens above those of non-citizens. The Administration is also looking to "reset" US foreign policy to favor US priorities over global interests. On trade, the Administration is likely to take a much harder line with trading partners. This could include the renegotiation of trade accords, bringing complaints before the WTO, **labeling China a currency manipulator**, and antidumping and countervailing duties on particular imports. The President has limited ability to impose new tariffs. For immigration, Trump is apt to more aggressively enforce immigration laws and actively seek the deportation of illegal immigrants.
Prioitization	High	High	Low / medium	Medium / high
Expected timing	Summer / fall	Immediate and ongoing	Late 2017 – 2018	Immediate and ongoing
Probability	High	High	Low / medium	High
Economic implications	**Modest boost to GDP growth** from corporate tax reform (<0.5ppt and not until late '17/early '18). Small but positive impact on inflation. Fed stays on pace for two rate hikes in 2017, with upside risk. Full border tax adjustment is unlikely, but could be inflationary and cause dollar appreciation.	Specific areas of the economy may get a significant boost, but the **aggregate impact on growth is likely to be modest in the near term. Over the longer term**, reforms could lead to faster productivity growth, which can be disinflationary.	Positive for growth, but **the GDP impact should only be 0.2-0.3ppt** if annual investment is USD 40 billion. Reinforces the rising inflation trend, with a faster-than-expected pace if the spending is closer to USD 100 billion annually.	Increased trade barriers are a negative for growth and could overwhelm the potential benefits of increased domestic production. **They should also be inflationary**, especially for consumers and businesses more reliant on imports.
Investment implications	Positive for US equities. **Foreign earnings repatriation could boost S&P 500 EPS by 3–4%.** Reduction of corporate rate to 25% could boost profits by 8-9%. Domestically-focused companies benefit the most.	**Initial benefits are likely to be concentrated in specific sectors**, with energy, healthcare and financial services most directly impacted.	Benefits of additional spending are likely to be concentrated in certain companies. US **infrastructure-related stocks appear to be already pricing in USD 300-400 billion of spending** over 10 years. Supports our expectation that rates are likely to rise gradually.	The Administration may support a lower dollar to reduce the trade deficit, against a long-standing "strong dollar" policy. However, **the dollar would likely appreciate if global trade tensions escalate.** Trade restrictions are bad for equities, especially globally-focused companies.

Mike Ryan sits down with the Head of the UBS US Office of Public Policy **John Savercool** to discuss the post-election climate in Washington.

The stage is set

John, with the Republican-controlled congress now sworn in and Republican President-elect Trump just eight days away from inauguration, it would seem that the stage is set for action in DC after years of gridlock. Just how successful will the new administration and congress be in delivering upon the Trump/GOP agenda?

The stage is set for action on those things that the president-elect and the Republican congress agree on – rollback of Obama-era regulations and executive orders, repeal of Obamacare and advancement of a comprehensive tax reform bill. While there is Republican unity on those issues, there is much less unity on other issues that will be addressed later in the year or by either congress or the president-elect individually, such as immigration, trade, an Obamacare replacement, entitlement program reforms and broader deficit reduction efforts.

Congress will go out of its way to accommodate the new president in the first few months, but friction is likely to develop once the other issues are dealt with and Republicans take on the messy business of governing. How they work through the friction will determine how voters assess their accomplishments and play a role in the next election, which may not be on the public's mind yet but is certainly on the minds of lawmakers.

Many of the conversations I've had with clients of late have focused on the question of tax reform. To what extent can we expect the Trump administration to focus on this in the first 100 days and how far reaching might the reform be?

Comprehensive tax reform is perhaps the biggest priority for the incoming Trump administration. The need for tax reform will be highlighted extensively throughout the first 100 days by Republicans, but details of what will be in the bill will be vague initially. Putting together a major tax reform bill and passing it would be a significant accomplishment this year, but no one should underestimate the difficulty of this exercise. Practically every provision of the 70,000-page tax code has a constituency associated with it, and they will mount considerable lobbying efforts to protect their interests – a process that has already begun. We believe hearings will get started on tax reform and occur throughout the winter and spring. A near-final bill will begin to emerge in the summer, and a final vote could occur in the late summer or fall. Republicans want to address both individual and corporate tax reform by lowering rates and eliminating or tightening up existing deductions and preferences embedded in the tax code. If Republicans stay unified and believe that the political and economic benefits exceed the inevitable concerns that certain groups and economic sectors will have with provisions that adversely affect them, a bill will be passed and signed into law. This process can easily become bogged down, though, and Republicans will have to keep the momentum high for the bill over many months. We think there is a slightly better than a 50-50 chance a bill will be finalized.

It would seem that the regulatory pendulum is poised to swing back into a less restrictive posture. What will regulatory reform look like and when is it likely to take shape?

Regulatory reform is a top priority for both Republicans in congress and President-elect Trump this year. The president-elect will get the process started by rolling back many of the regulations that are working their way through the bureaucracy at this time. Newer regulations, such as those finalized by the outgoing administration last year, are especially vulnerable and will be targeted for delay or repeal. Many of the Obama executive orders, some of which relate to regulatory matters, will also be targeted for repeal. Many of the rules subject to delay will ultimately be repealed once the new cabinet members have time to review them.

Congress also will use its authority under the Congressional Review Act (CRA) to kill certain regulations put into effect by the Obama administration in the last few months. Additionally, congress will look to make reforms to the federal regulatory process. The House has already passed bills requiring congressional votes on future regulations from the executive branch that have a significant impact on certain economic sectors and the economy and to require significant regulations to be sunset over a certain period of time. These reform measures will have a difficult time getting approval in the senate, where 60 votes are needed for passage, but the action by the president will certainly occur and occur quickly after he is inaugurated. Regulatory reform will be an early "win" for Republicans and will benefit a broad range of US economic sectors, particularly the energy sector and service industries.

John, there has been considerable debate over the details for infrastructure and defense spending, one of Trump's big campaign promises. Do you have some sense of what the major spending priorities might be?

Defense and infrastructure will be two areas that should see a big boost in federal spending in next year's budget. The president-elect has mentioned a USD 1 trillion infrastructure package, but this would include a significant private sector commitment that would offset its cost to taxpayers. Frankly, we do not believe a USD 1 trillion infrastructure package will advance this year. Rather, we see something smaller, closer to USD 400 billion, as a more viable option. As the president-elect prioritizes defense and infrastructure, he will be pressured to find other areas of federal spending to decrease to ensure the increasing budget deficit doesn't spiral out of control.

We see reductions or flat spending requests in other parts of the discretionary budget that will include education, healthcare and housing, among others. This will trigger a major fight in congress as Republicans will rally around increased defense spending and Democrats will rally behind similar increases in the domestic spending that Trump will seek to cut. These conflicts will break out in late April when government funding expires, and the two sides will have to agree on a budget for the rest of the fiscal year, which runs through the end of September. As we have seen over the last few years, a government shutdown could occur if these differences are not reconciled in some way.

The old adage is that politics stop at the water's edge, and yet given all the campaign and post-campaign rhetoric around foreign relations, security, trade reform, and immigration, it's hard to imagine that DC won't fully engage in issues far beyond our borders. What is the most significant shift in our international posture we can expect in the first 100 days?

Throughout the campaign and after his victory, Donald Trump has given us a certain sense of his views on foreign policy and national security. Once he is in office, however, I think it is reasonable to think that he will take a step back and look fresh at our national security challenges after he has been briefed by our intelligence experts and ambassadors, including those whom he has nominated. That doesn't mean that he will reverse all of his stated views, but I think it does suggest that he will be more deliberate in how he approaches our national security challenges.

Frankly, we do not believe a USD 1 trillion infrastructure package will advance this year. Rather, we see something smaller, closer to USD 400 billion, as a more viable option.

I believe the biggest change that we will see as Obama passes the baton to Trump is how he will negotiate with other countries. Negotiating is his passion and where he thinks he excels relative to his predecessors. So, for instance, our position on issues relating to China will be viewed not so much on individual challenges we face with China, but on how the overall relationship with China is advanced. Trump's hinting that he may change the US policy with respect to recognizing Taiwan is not so much an embrace of that position as it is potential leverage in getting China to change its behavior in other areas, such as its military positioning in the South China Sea or working harder to influence North Korea's nuclear missile program. Trump's style will be very different, and he will negotiate in ways that some international partners will find odd. Perhaps it will work, perhaps it won't. However, I think his style will be what sets him apart rather than the policy changes we will see once he assumes offices. ■

Nominees: A new mix of experience

Position and name	Government experience	Career highlights	Age
Attorney General Sen. Jeff Sessions	Four-term US senator for Alabama. Former US Attorney for Alabama's Southern District. Former Alabama Attorney General.	Serves on Armed Services, Budget, Environment and Public Works, and Judiciary committees. His President Reagan-sponsored nomination to be a judge in the US District Court for the Southern District of Alabama was not confirmed by the senate.	70
Secretary of Defense General James "Mad Dog" Mattis	None	Retired four-star general, US Marine Corps (45 years). Engagements include commanding a battalion in Operation Desert Storm and leading Special Operation Forces against the Taliban. Also served as Commander of US Joint Forces Command and as NATO's Supreme Allied Commander for Transformation.	66
Secretary of Education Betsy DeVos	None	Strong advocate for school choice and voucher programs. Former chairwoman of the Michigan Republican Party. Current chair of Windquest Group, a technology, manufacturing, and clean energy firm.	59
Secretary of Energy Gov. Rick Perry	Three-term Governor of Texas.	Assumed Texas Governorship when President George W. Bush resigned to become president, and is the longest-serving governor in Texas history. Ran for the Republican presidential nominations in 2012 and 2016. Proposed scrapping the Energy Department during his 2012 campaign. Serves on the board of Energy Transfer Partners, the firm building the controversial Dakota Access Pipeline.	66
Secretary of Health and Human Services Rep. Tom Price	Five-term congressman, Georgia's 6th congressional district. Four terms as Georgia state senator.	Chair of Budget committee, serves on Ways and Means committee. Proposed a bill to withhold ACA funds from healthcare plans that offer abortion. Ran an orthopedic clinic in Atlanta for 20 years.	62
Secretary of Homeland Security General John Kelly	None	Retired general, US Marine Corps (43 years active). Former commander of United States Southern Command, 1st Light Armored Division, and the Multi-National Force–West.	66
Secretary of Housing and Urban Development Dr. Ben Carson	None	Former neurosurgeon, director of Pediatric Neurosurgery at Johns Hopkins Hospital for 20 years. Was awarded the Presidential Medal of Freedom in 2008. Came into the public spotlight after his 2013 National Prayer Breakfast keynote speech, which criticized President Obama. Ran for the Republican presidential nomination in 2016.	65
Secretary of Labor Andrew F. Puzder	None	CEO of CKE Restaurants, the parent company of Hardee's and Carl's Jr. chains. Authored a Missouri bill that restricted public funding for abortion. Heavily critical of the Obama administration's labor policies and opposed raising the federal minimum wage, paid sick leave policies, and the expansion of overtime pay.	66
Secretary of State Rex Tillerson	None	Former ExxonMobil CEO and chair. Trustee of Center for Strategic and International Studies, former director of the United Negro College Fund. Strongly opposed the 2014 sanctions against Russia. Awarded the Russian Order of Friendship in 2013 for working to improve relations with Russia.	64
Secretary of the Interior Rep. Ryan Zinke	One-term congressman, Montana at-large district. One term as Montana state senator.	Serves on Armed Services and Natural Resource committees. Served in the US Navy SEALs from 1986-2008, retiring as a Commander. Has called for ground troop deployment to combat ISIL. Advocate of clean-energy and climate legislation, but has opposed limits on coal extraction and oil and gas drilling.	55

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Nominees: A new mix of experience

Position and name	Government experience	Career highlights	Age
Secretary of the Treasury Steven Mnuchin	None	National finance chairman of Trump campaign during the general election. Movie financier/producer, co-founder of RatPac-Dune Entertainment. Former Goldman Sachs Executive VP (17 years).	54
Secretary of Transportation Elaine Chao	Secretary of Labor under President George W. Bush and Deputy Secretary of Transportation under President George H. W. Bush	Former CEO of United Way of America, former director of the Peace Corps. Worked as chair of the Federal Maritime Commission, and help positions with Bank of America and Citicorp. Married Senate Majority Leader Mitch McConnell of Kentucky in 2015.	63
Director, Central Intelligence Agency Rep. Mike Pompeo	Three-term congressman, Kansas 4th District	Serves on Energy and Commerce committees. Served as a Captain in the 4th Infantry Division 1986–1991. Founded an aerospace and private security firm, served as president of an oilfield equipment company.	53
Director of National Intelligence Sen. Dan Coats	Four-term US Senator for Indiana. US Ambassador to Germany. Four-term congressman, Indiana's 4th District.	Was appointed to Dan Quayle's Senate seat following the 1988 election. Co-authored the armed forces' "Don't Ask, Don't Tell" policy and opposed its 2011 repeal. Spoke out strongly in favor of sanctions against Russia following the 2014 annexation of Crimea.	73
Director, Office of Management and Budget Rep. Mick Mulvaney	Three-term congressman, South Carolina 5th District. One term as South Carolina state representative.	Serves on Financial Services and Small Business committees. Prominent fiscal conservative, opposed eliminating sequestration spending cuts in 2013 budget.	49
Administrator of the Environmental Protection Agency Scott Pruitt	Oklahoma Attorney General. One term as Oklahoma state senator.	Known for his lawsuits against the EPA over Obama-era regulations aimed at curbing greenhouse gas emissions. As Attorney General, has also sued over the Affordable Care Act and the Dodd-Frank financial reform.	48
Administrator of the Small Business Administration Linda McMahon	None	President and CEO of World Wrestling Entertainment. Ran for senate Connecticut seats as the Republican nominee in 2010 and 2012.	68
US Ambassador to the United Nations Gov. Nikki Haley	Two-term South Carolina governor. Three terms as South Carolina state representative.	First Sikh governor in US history, first female governor of South Carolina, youngest sitting US governor. Led calls to remove the Confederate flag from the State Capitol following the Charleston church shooting in 2015. Delivered the Republican response to President Obama's 2016 State of the Union address.	44
Secretary of Commerce Wilbur Ross	None	Ran a bankruptcy-restructuring group at Rothschild, where he worked with President-elect Trump's casino interests in the 1980s. Founder of the International Steel Group and International Coal Group Served under President Bill Clinton on the board of the US-Russia Investment Fund.	79
US Trade Representative Robert Lighthizer	Deputy US Trade Representative during the Reagan administration.	Vocal critic of China's trade practices and proponent of protectionist trade policies. Former Chief of Staff of the United States Senate Committee on Finance, and Vice Chairman of the Overseas Private Investment Corporation's board.	69

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