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Trump's Corporate Con Job

Six Months Into Term, Trump Has Fully Abandoned Populism
In Favor of Giveaways to Industry

Acknowledgments

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As a candidate, Donald Trump directed nearly as much venom toward major U.S. corporations as toward his opponents.

Trump savaged Wall Street, saying: “I know the guys at Goldman Sachs: They have total, total control over [Republican presidential hopeful Ted Cruz]. Just like they have total control over Hillary Clinton.”¹ Trump badgered companies for manufacturing products outside of the United States and threatened them with onerous penalties if they did not reverse course. He promised to let the federal government negotiate prices on prescription drugs purchased through Medicare, later accusing the pharmaceutical industry of “getting away with murder.”² Trump singled out lobbyists who do the bidding for corporations in promising to “drain the swamp.”

Six months after his inauguration, Trump’s anti-industry bluster has largely dissipated. Trump immediately backtracked on his promised to crack down on lobbyists, choosing to staff much of his administration with them. Likewise, Trump turned to Goldman Sachs, Lockheed Martin, Boeing, OneWest Bank and numerous corporate law firms to fill key posts.³

In this report, we look at 11 key sectors in which the Trump administration is helping big corporations advance their agenda.

This list is not comprehensive, but illustrative of the corporate giveaways now coming to pass. They are:

- **Autos:** In March 2017, at the behest of the automakers, Trump announced his administration would postpone a decision on whether to enact previously planned increases to fuel efficiency standards, which would raise the average vehicle’s official gas mileage to more than 50 miles per gallon by 2025.
- **Chemicals:** EPA Administrator Scott Pruitt has overturned staff experts’ recommendation to bar a dangerous insecticide and watered down a key bipartisan toxic substances law.
- **Defense:** After criticizing Lockheed Martin’s F-35 and Boeing Co.’s plans for a new Air Force One as expensive examples of government waste, Trump proposed a budget plan that would enrich those same contractors with a glaring increase to military spending of \$54 billion.
- **Education:** Trump’s Department of Education has targeted for elimination rules established during the Obama administration that protect students from predatory private colleges and predatory student lenders.

¹ Jeremy Diamond, *Donald Trump: Banks Have ‘Total Control’ Over Ted Cruz*, CNN (Feb. 19, 2016), <http://cnn.it/2tmUdfG>.

² Sarah Karlin-Smith, *Trump Says Drug Industry ‘Getting Away with Murder’* POLITICO (Jan. 11, 2017), <http://politi.co/2tmHaun>.

³ THE SWAMP NOMINEES, PUBLIC CITIZEN <http://bit.ly/2tmILk6>.

- **Energy:** The Trump administration is delaying, weakening or repealing numerous clean air rules or policies that benefit public health and the Earth's climate and are favoring dirty fossil fuel-based polluters over the fast-growing and clean renewable energy sector.
- **Financial Services:** With bankers and bank industry lawyers now controlling policy and regulation, Trump has begun dismantling the guardrails that are meant to protect the public from Wall Street.
- **Food:** Since the election, Trump has catered to corporate food producers and agribusiness' demands at the expense of food safety and children's nutrition.
- **Pharmaceuticals:** After casting himself as an opponent of pharmaceutical industry greed, Trump has fully caved into the industry, and is working reduce patient protections and strengthen the industry's monopoly power.
- **Prisons:** Trump's extreme anti-immigration rhetoric on the campaign trail was music to the ears of the for-profit prison industry, which now has been rewarded with policies that would increase the number of incarcerated people and permit for-profit companies to house federal prisoners.
- **Telecom:** Trump signed legislation that permitted industry to sell consumers private internet browsing data and his FCC has proposed ending "net neutrality" protections approved in 2015 that bar internet providers from blocking or slowing internet traffic, a measure taken to prevent larger Internet providers from steering customers to their own sites.
- **Wealthy People:** In his campaign, Trump promised to significantly reduce taxes on lower- and middle-income Americans, and to ask the wealthy to pay more. But an initial tax released by Trump and his economic advisers would deliver massive benefits to the wealthy.

Autos: Backsliding on Fuel Economy

Amid worldwide public concern about climate change, countries are making significant strides toward promoting fuel efficiency. France intends to ban gasoline- and diesel-powered vehicles by 2040.⁴ India is aiming to have an all-electric fleet of cars by 2030⁵, In Norway, where strong government incentives favor electric cars, more than a third of new cars are either plug-in hybrids or fully electric vehicles, ten times the U.S. level.⁶ Sweden-based automaker Volvo Cars has announced that all of its models by 2019 will be powered at least in part by electricity.⁷ But in the United States, the Trump administration has shifted the nation into reverse.

Higher Fuel-Efficiency Standards on Hold

In March 2017, at the behest of the automakers, Trump announced his administration would postpone a decision on whether to enact previously planned increases to fuel efficiency standards, which would raise the average vehicle's official gas mileage to more than 50 miles per gallon by 2025.⁸

More recently, the administration announced it is delaying increases of penalties for automakers that fail to meet fuel efficiency standards.⁹ These actions are giveaways in response to dubious claims that meeting the higher fuel efficiency standards would harm the auto industry.

The Alliance of Automobile Manufacturers – which represents 12 major automakers, including domestic makers General Motors, Ford and Fiat Chrysler – acknowledged last year that “there is no question that manufacturers are capable of developing and producing products that meet the standards” for 2022 to 2025.¹⁰ The automakers' group instead suggested that the slight increases in costs due to meeting the standards would price consumers out of the market.

But the auto industry's recent performance casts doubt on the industry's concerns. Fuel efficiency standards were increased by about 10 miles per gallon from 2008 to 2016. The automakers not only met those requirements but enjoyed record sales in the process.¹¹

⁴ *France Wants to Stop Sales of Gas and Diesel Cars by 2040*, THE NEW YORK TIMES (July 6, 2017), <http://nyti.ms/2sR0qMv>.

⁵ *India Aiming for All-Electric Car Fleet by 2030, Petrol and Diesel to Be Tanked*, THE TIMES OF INDIA (April 30, 2017), <http://bit.ly/2u2VVQI>.

⁶ *The Country Adopting Electric Vehicles Faster Than Anywhere Else*, BLOOMBERG NEW ENERGY FINANCE (June 1, 2017), <http://bit.ly/2uoNKku>.

⁷ Jack Ewing, *Volvo, Betting on Electric, Moves to Phase Out Conventional Engines*, THE NEW YORK TIMES (July 5, 2017), <http://nyti.ms/2t4SFXy>.

⁸ Steven Overly, *Trump's Review of Car Fuel Standards Could Lead to Fight With California, Environmentalists*, THE WASHINGTON POST (March 15, 2017), <http://wapo.st/2tJwUec>.

⁹ Timothy Cama, *Trump Admin to Reconsider Penalties for Car Efficiency Violations*, THE HILL (July 11, 2017), <http://bit.ly/2tfcTc4>.

¹⁰ ALLIANCE OF AUTOMOBILE MANUFACTURERS COMMENTS ON DRAFT TECHNICAL ASSESSMENT REPORT: MIDTERM EVALUATION OF LIGHT-DUTY GREENHOUSE GAS EMISSION STANDARDS AND CORPORATE AVERAGE FUEL ECONOMY STANDARDS FOR MODEL YEARS 2022-2025 (July 2016), <http://bit.ly/2ujijTy>.

¹¹ *Automakers Exceed EPA Fuel Economy Standards Again*, BUSINESS FLEET (Nov. 4, 2016), <http://bit.ly/2r18hd6>; Bill Vlasic, *Record 2016 for U.S. Auto Industry; Long Road Back May Be at End*, THE NEW YORK TIMES (Jan. 4, 2017), <http://nyti.ms/2qG21Ek>.

Scuttling Fuel Economy Standards Would Cost Consumers Money and Harm the Environment

Rolling back fuel economy standards would cost consumers significant amounts of money. In a review published last summer, the Environmental Protection Agency estimated that the increased standards would result in \$56 billion in reduced fuel costs for purchasers of automobiles made in model years 2022 to 2025, even after taking into account increases in sticker price due to the cars' improved technology.¹²

The standards also would result in a reduction in greenhouse gas emissions of 540 million metric tons and a reduction in oil consumption on 1.2 billion barrels.¹³ These are factors that would mitigate global warming, as well as reducing conventional air pollutants, not to mention U.S. dependence on foreign oil. Some share of these gains would be lost if the Trump administration scuttles the higher standards.

Wholesale abandonment of fuel efficiency standards also could imperil U.S. automakers. Left to their own devices, U.S. makers have a tendency to build less-efficient vehicles than their overseas competitors. In 2008, as the major U.S. automakers begged Congress for bailout money to stay in business, General Motors acknowledged making "mistakes in the past," including "insufficient investment in smaller, more fuel-efficient vehicles for the U.S."¹⁴

It's clear the auto industry and the rest of the world are hurtling toward an energy-efficient future. The Trump administration seems determined to assist General Motors, Ford and Fiat Chrysler in a last-ditch effort to cling to the past. The short-term benefits to the car companies will come at the expense of consumers, the well-being of the planet, likely, the long-term health of the car companies themselves.

¹² U.S. ENVIRONMENTAL PROTECTION AGENCY, CALIFORNIA AIR RESOURCES BOARD, NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DRAFT TECHNICAL ASSESSMENT REPORT: MIDTERM EVALUATION OF LIGHT-DUTY VEHICLE GREENHOUSE GAS EMISSION STANDARDS AND CORPORATE AVERAGE FUEL ECONOMY STANDARDS FOR MODEL YEARS 2022-2025 (July 2016), <http://bit.ly/2rm4yXL>.

¹³ FINAL DETERMINATION ON THE APPROPRIATENESS OF THE MODEL YEAR 2022-2025 LIGHT-DUTY VEHICLE GREENHOUSE GAS EMISSIONS STANDARDS UNDER THE MIDTERM EVALUATION, U.S. ENVIRONMENTAL PROTECTION AGENCY (January 2017), <http://bit.ly/2sB3uPJ>.

¹⁴ GENERAL MOTORS RESTRUCTURING PLAN FOR LONG-TERM VIABILITY SUBMITTED TO SENATE BANKING COMMITTEE & HOUSE OF REPRESENTATIVES FINANCIAL SERVICES COMMITTEE (Dec. 2, 2008), <http://bit.ly/2q1ijqB>.

Chemicals: Undoing Public Health Protections

The Trump administration has consistently worked to advance the interests of big chemical firms to the detriment of the public. Trump's Environmental Protection Agency administrator, Scott Pruitt, has taken actions that suggest he is more interested in protecting the chemical industry than the environment or public health. Pruitt overturned staff experts' recommendation to bar a dangerous insecticide and watered down a key bipartisan toxic substances law. Massive proposed budget cuts would diminish funding for the EPA's pesticide-safety programs.

Trump's EPA Overruled Staff Recommendation to Ban a Dangerous Insecticide

In March, Pruitt rejected the findings of the EPA's own chemical safety experts, who recommended permanently banning an insecticide made by Dow Chemical. The experts concluded that the insecticide, chlorpyrifos, was causing health problems including declines in learning and memory in farm workers and young children.¹⁵ Pruitt cited the need to "provide regulatory certainty to the thousands of American farms" that rely on chlorpyrifos.¹⁶

Even low levels of exposure to chlorpyrifos and other organophosphate pesticides may threaten children, yet they remain in use."¹⁷ Just weeks after the EPA's decision, more than 50 farm workers picking cabbage near Bakersfield, Calif., fell ill after being exposed to the toxic pesticide, which is marketed as Lorsban, Vulcan and other names.¹⁸



Source: KGET, Bakersfield, Calif.

A TV anchor in California reports on farm workers falling ill after being exposed to a toxic pesticide.

¹⁵ Eric Lipton, *E.P.A. Chief, Rejecting Agency's Science, Chooses Not to Ban Insecticide* THE NEW YORK TIMES (March 29, 2017), <http://nyti.ms/2tiCVjP>.

¹⁶ Press Release, Environmental Protection Agency, *EPA Administrator Pruitt Denies Petition to Ban Widely Used Pesticide* (March 29, 2017), <http://bit.ly/2tiSXdf>.

¹⁷ Roni Caryn Rabin, *A Strong Case Against a Pesticide Does Not Faze E.P.A. Under Trump* THE NEW YORK TIMES (May 15, 2017), <http://nyti.ms/2tigve4>.

¹⁸ Tabatha Mills, *Pesticide Drift Halts Harvest Southwest of Bakersfield*, KGET/KERNGOLDENEMPIRE.COM (May 5, 2017), <http://bit.ly/2tiDdXX>.

“When you weigh the evidence across the different studies that have looked at this, it really does pretty strongly point the finger that organophosphate pesticides as a class are of significant concern to child neurodevelopment,” Stephanie Engel, an associate professor of epidemiology at University of North Carolina at Chapel Hill told *The New York Times*. The Environmental Working Group recommends that consumers buy organic versions of several foods, citing positive tests for chlorpyrifos in imported peaches and nectarines from Chile, imported bell peppers and hot peppers from Mexico as well as domestic and imported cilantro.¹⁹ Health, labor and civil rights organizations have appealed the EPA’s action, and several state attorneys general have petitioned to join the case.²⁰

Trump EPA Watered Down Rules to Enforce Toxic Chemical Law

Fulfilling the chemical industry’s wishes, the Trump EPA has weakened rules implementing bipartisan chemical-safety legislation passed in 2016.²¹ Pruitt’s EPA enacted weak standards for sorting chemicals into high-priority and low-priority categories for evaluation under the Toxic Substances Control Act. The Trump EPA also weakened the agency’s process for determining the seriousness of a chemical’s potential risk to people and the environment.

These rules “are carefully crafted to allow polluters to continue to poison our families with unsafe toxic chemicals,” Scott Faber, senior vice president of government affairs at Environmental Working Group said in a statement after the EPA’s announcement.²²

Under the rule, the EPA will only consider the most likely uses for a chemical in its screening process rather than all uses for that chemical, a move that eliminates consideration of risks posed by spills and leaks of chemicals. The EPA also plans to inform a chemical manufacturer before investigating that chemical, a process that allows companies to object and slow down the process.²³

The Trump Administration Reduces Pesticide-Safety Funding

Under the Trump administration’s proposal, the EPA budget would decline by 31 percent. But funding for state waste treatment and drinking water programs would be maintained, resulting in a 43 percent cut for the rest of the EPA.²⁴ That would mean severe budget cuts to pesticide-safety programs, forcing the agency to rely more on industry fees to make up the gap. But an official at

¹⁹ Blog, Environmental Working Group, *Don’t Want to Eat Pruitt’s Pesticide? Here’s What to Avoid* (April 4, 2017), <http://bit.ly/2tj976A>.

²⁰ Emily Flitter, *U.S. State Prosecutors Join Push to Ban Pesticide Chlorpyrifos*, REUTERS (July 6, 2017), <http://reut.rs/2tj5WMA>.

²¹ Blog, Natural Resources Defense Council, *Trump EPA Weakens TSCA Rules to Favor Chemical Industry* (June 22, 2017), <http://on.nrdc.org/2sl0ciP>.

²² Press Release, Environmental Working Group, *Trump Proposal Puts Americans at Greater Risk from Toxic Chemicals* (June 22, 2017), <http://bit.ly/2tjkhjq>.

²³ Press Release, U.S. Public Interest Group, *U.S. PIRG Tells EPA: Don’t Put the Chemical Industry Before Public Health* (June 6, 2017), <http://bit.ly/2tjqA6x>.

²⁴ Juliet Eilperin, Chris Mooney and Steven Mufson *New EPA documents Reveal Even Deeper Proposed Cuts to Staff and Programs*, THE WASHINGTON POST (March 31, 2017), <http://wapo.st/2tiL9s4>.

CropLife America, which represents U.S. pesticide manufacturers and distributors, told *The Washington Post* that the industry would oppose extra fees.²⁵

The Trump Administration Has Sought Counsel from Chemical Industry Insiders.

Dow Chemical CEO Andrew Liveris leads a group of Trump's CEO advisers²⁶ and the corporation contributed \$1 million to the president's inauguration. In April, the Associated Press reported that lawyers for Dow Chemical and two other pesticide makers sent letters to EPA Administrator Scott Pruitt, Commerce Secretary Wilbur Ross and Interior Secretary Ryan Zinke, urging them to ignore findings that three pesticides – chlorpyrifos, diazinon and malathion – are harmful to endangered species.²⁷

In February, Liveris stood at Trump's side when the president signed an executive order calling for task forces at federal agencies to roll back government regulations. Trump handed Liveris the pen he used to sign the order.²⁸ Pruitt briefly with Liveris just weeks before he denied a petition to ban chlorpyrifos, but an EPA spokeswoman told the *Associated Press* they did not discuss chlorpyrifos.²⁹

In April, Nancy Beck, a policy director for the American Chemistry Council (a chemical industry lobbying group whose members include ExxonMobil, Monsanto, Bayer, Dow Chemical, and DuPont), was picked to head the EPA office charged with regulating the chemical industry.³⁰ *Politico* reported that Beck was deeply involved with the EPA's development of new toxic chemical rules. Further, *Politico* reported, she was cleared to consider comments submitted by her former employer.³¹

²⁵ Juliet Eilperin, Chris Mooney and Steven Mufson *New EPA documents Reveal Even Deeper Proposed Cuts to Staff and Programs*, THE WASHINGTON POST (March 31, 2017), <http://wapo.st/2tiL9s4>.

²⁶ Jacob Pramuk, *In Trump's White House, Policy Can Be Shaped by the Last CEO He Met*, CNBC (April 27, 2017), <http://cnb.cx/2tjCKVm>.

²⁷ Michael Biesecker, *Pesticide Maker Tries to Kill Risk Study*, ASSOCIATED PRESS (April 20, 2017), <http://bit.ly/2tjD4U4>.

²⁸ Photo Caption, ASSOCIATED PRESS PHOTO (February 24, 2017), <https://usat.ly/2tjq9Bn>.

²⁹ Michael Biesecker, *EPA Chief Met with Dow CEO Before Deciding on Pesticide Ban*, ASSOCIATED PRESS (July 3, 2017), <http://bit.ly/2tjp6BE>.

³⁰ Tom Philpott, *Trump Just Appointed a Chemical Industry Honcho to Protect Us from Chemicals*, MOTHER JONES (April 14, 2017), <http://bit.ly/2tjV6Fv>.

³¹ Annie Snider and Alex Guillen, *EPA Staffers, Trump Official Clashed Over New Chemical Rules*, POLITICO (JUNE 22, 2017), <http://politi.co/2tjTbRl>.

Defense: Making the Military Even Bigger Again

At the start of the administration, Trump singled out for criticism Lockheed Martin's F-35 and Boeing Co.'s plans for a new Air Force One as glaring examples of government waste.³² He then proceeded to propose a budget plan that would enrich those same contractors. Trump's budget proposal includes a \$54 billion increase to military spending³³ next year.

Boost to Defense Spending Would Provide Enormous Windfall to Defense Contractors

Defense contractors already receive tens of billions in contract dollars. In fact, the top five Defense Department contractors received nearly \$97 billion in federal contracts in fiscal 2016.³⁴

Contractor	Defense Department Dollars Obligated (\$Billions)	%Total Defense Department Dollars
Lockheed Martin Corporation	\$36.2	12%
The Boeing Company	\$24.3	8%
Raytheon Company	\$12.8	4%
General Dynamics Corporation	\$12.7	4%
Northrop Grumman Corporation	\$10.8	4%

Source: U.S. General Services Administration, Federal Procurement Data System FY 2016, <http://1.usa.gov/1QrftTP>

Lockheed, Boeing Well Represented in Trump Administration

Numerous Trump nominees have deep connections to defense contractors, and top defense contractor executives have met at least 10 times with the president himself, according to Public Citizen's tally of White House visits.³⁵ Defense Secretary James Mattis is a former board member of military contractor General Dynamics,³⁶ Homeland Security Secretary John Kelly was formerly an advisor for defense contractor DynCorp.³⁷ Patrick Shanahan, Trump's nominee for the second-

³² Nafeesa Syeed, Anthony Capaccio and Rick Clough, *Trump's Pentagon Chief Orders F-35 Jet, Air Force One Review* BLOOMBERG NEWS (Jan. 27, 2017), <https://bloom.bg/2tmPA5a>.

³³ Michael Shear and Jennifer Steinhauer, *Trump to Seek \$54 Billion Increase in Military Spending*, THE NEW YORK TIMES (Feb. 27, 2017), <http://nyti.ms/2u2zivk>.

³⁴ Data from Federal Procurement Data System, Top 100 Contractors Report, Fiscal Year 2016, <http://bit.ly/2u25WNvh>.

³⁵ RICK CLAYPOOL, PUBLIC CITIZEN, UPDATED REPORT ON TRUMP MEETINGS WITH CORPORATE EXECUTIVES (coming Aug. 2017). On file with author.

³⁶ Avi Asher-Schapiro and David Sirota, *Donald Trump Pentagon Pick Mattis Made Nearly \$1,000,000 On Board of Defense Contractor*, INTERNATIONAL BUSINESS TIMES (Dec. 2, 2016), <http://bit.ly/2u2C2sK>.

³⁷ Lee Fang, *Gen. John Kelly, DHS nominee, Has Been Quietly Working for DynCorp*, THE INTERCEPT (Jan. 10, 2017), <http://bit.ly/2u2vASm>.

ranking job at the Defense Department was most recently senior vice president of supply chain operations at Boeing.³⁸

Another former Boeing executive, Mira Radielovic Ricardel, was nominated for a top job at the Commerce Department.³⁹ Richard Ashooh, a top Commerce Department nominee, is a former lobbyist for defense contractor BAE Systems and Lockheed Martin.⁴⁰ Heather Wilson, Trump's Air Force Secretary is a former member of Congress who worked as a consultant to Lockheed Martin, helping the defense giant renew its contract to manage Sandia National Laboratories.⁴¹

Trump Budget Offsets Increases to Military Spending With Cuts to Social Programs

The U.S. spent \$611 billion on defense in 2016. That is more than a third of total military spending worldwide and nearly three times more than China, the second-highest spender.⁴² Trump's budget proposal would be offset by severe cuts to public protections and social programs,⁴³ including Medicaid, food stamps, Temporary Assistance for Needy Families and the Earned Income Tax Credit⁴⁴

In 2013, Rep. Mick Mulvaney (R-S.C.) told a McClatchy reporter: "It undermines Republicans' credibility on spending issues if we're not willing to also look at the defense budget for possible savings."⁴⁵ Mulvaney is now Trump's budget director.

There would be plenty of waste to trim if the administration looked. For example, *The Washington Post* reported in 2016 on a Defense Department study concluding that the Pentagon could save \$125 billion in wasteful spending over five years. But the Pentagon buried the study due to concerns that lawmakers would cut the Defense Department's budget in response.⁴⁶

³⁸ Christopher Drew, *A Pentagon Test for Boeing's Mr. Fix-It*, THE NEW YORK TIMES (April 1, 2017), <http://nyti.ms/2u2EQGi>.

³⁹ Press Release, White House President Donald J. Trump Announces Key Administration Posts (March 30, 2017), <http://bit.ly/2u2I>.

⁴⁰ Lobbying Disclosure Act Database maintained by the secretary of the Senate (searched on July 17, 2017), <http://bit.ly/2uFjD8w>.

⁴¹ Patrick Malone and R. Jeffrey Smith, *Trump Pick for Air Force Boss Frustrated Auditors with Lucrative, Murky Consulting for Nuclear Weapons Labs*, CENTER FOR PUBLIC INTEGRITY (March 1, 2017), <http://bit.ly/2u2vHNR>.

⁴² *Trends in World Military Expenditure, 2016*, STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE (April 2017), <http://bit.ly/2u34r1u>.

⁴³ Damian Paletta and Steven Mufson, *Trump Federal Budget 2018: Massive Cuts to the Arts, Science and the Poor*, THE WASHINGTON POST (March 16, 2017), <http://wapo.st/2u2QUXO>.

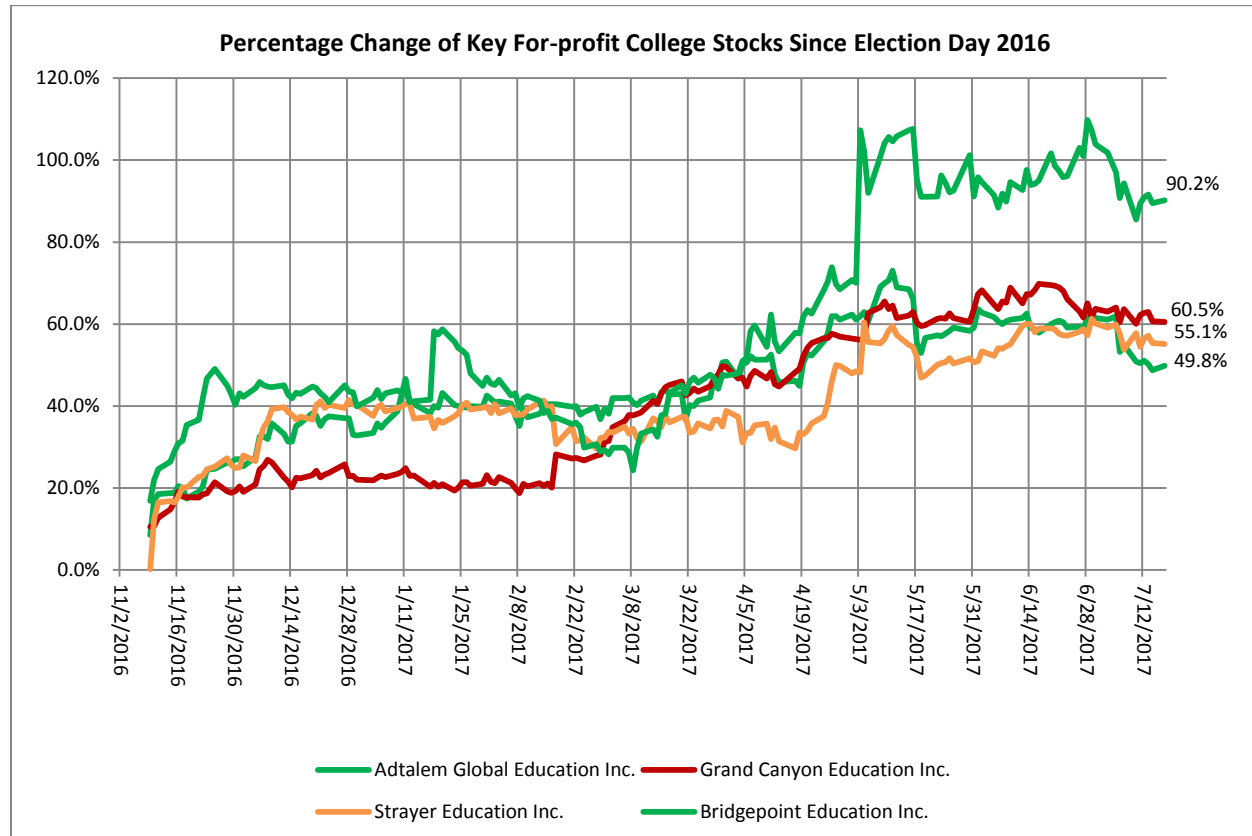
⁴⁴ Dylan Matthews, *The Trillions in Shocking Cuts in Donald Trump's Budget, Explained*, VOX (May 22, 2017), <http://bit.ly/2qSHA9t>.

⁴⁵ James Rosen, *Turning Tide? Lawmakers Look to Pentagon for Budget Cuts*, McCLATCHY DC BUREAU (Jan. 28, 2013), <http://bit.ly/2rlTHwg>.

⁴⁶ Craig Whitlock and Bob Woodward, *Pentagon Buries Evidence of \$125 Billion in Bureaucratic Waste*, THE WASHINGTON POST (Dec. 5, 2016), <http://wapo.st/2u2BNxx>.

Education: Students at Risk

Under the Obama administration, the for-profit college industry faced intense scrutiny over its industry's deceptive practices. Immediately after the election, shares of for-profit college companies, including Bridgepoint Education, Grand Canyon Education, Strayer Education and Adtalem Global Education (formerly DeVry Group) surged on hopes of a more industry-friendly climate.⁴⁷ It did not take long for Trump and his Education Department to prove that investors' optimism was warranted.



Source: Google Finance.

Installing For-Profit College Advocates at the U.S. Department of Education

After what was arguably the most contentious confirmation process for any of Trump's cabinet nominees, Betsy DeVos was confirmed as Secretary of Education with the help of a tiebreaking vote from Vice President Mike Pence.⁴⁸ DeVos is a former chair of the Michigan Republican Party and comes from a family that has donated as much as \$200 million to Republican causes over the

⁴⁷ Corinne Jurney, *For-Profit College Stocks: How Long Will The Trump Bump Last?* FORBES (Feb. 24, 2017), <http://bit.ly/2ufGpmp>.

⁴⁸ Emmarie Huetteman and Yamiche Alcindor, *Betsy DeVos Confirmed as Education Secretary; Pence Breaks Tie*, THE NEW YORK TIMES (Feb. 7, 2017), <http://nyti.ms/2tJJREY>.

years.⁴⁹ The appointment of DeVos was a win for the for-profit education industry. DeVos led a “pro-school-choice advocacy group”⁵⁰ that advocates using public dollars to fund private schools through voucher programs.⁵¹ Her advocacy group – which promotes “market-based education reform,”⁵² has spent millions on the cause⁵³ of advancing school vouchers and charter schools.

Many other for-profit education advocates joined DeVos at the Education Department. Taylor Hansen, a former lobbyist for the for-profit college industry’s main trade group, was appointed to the department’s “beachhead team.”⁵⁴ Robert Eitel, the former chief compliance officer at Bridgepoint Education Inc., which owns Ashford University and University of the Rockies, serves as a special assistant to DeVos. Eitel was a high-ranking lawyer at Bridgepoint when it paid more than \$30 million to settle a government investigation into alleged deceptive student lending.⁵⁵

The appointment of for-profit education advocates signaled a starkly new direction for the department. Toward the end of the Obama administration, federal authorities cracked down on several for-profit institutions, criticizing them for luring students with false promises and enriching themselves with tuition payments that students financed through federal student loans. In recent years, high profile for-profit colleges Corinthian Colleges⁵⁶ and ITT Tech, among others, collapsed amid deteriorating finances and growing scrutiny of their treatment of students⁵⁷ – leaving students with large amounts of debt and little to show for it.

In the first six months of the Trump administration, the Department of Education has withdrawn, delayed or signaled plans to overhaul rules established during the Obama administration that were intended to protect students from predatory private colleges and predatory student lenders.⁵⁸

Delaying Regulations that Aim to Aid Students Harmed by Predatory Colleges

In June 2017, the Department of Education announced a “regulatory reset,”⁵⁹ which included preventing a large portion of the Obama-era “borrower defense” rule from taking effect. This rule, adopted in November 2016, created a more transparent and specific process for federal debt relief

⁴⁹ Dan Alexander, *Betsy DeVos Says It’s ‘Possible’ Her Family Has Donated \$200M To Republicans*, FORBES (Jan. 17, 2017), <http://bit.ly/2t56lSi>.

⁵⁰ Valerie Strauss, *A Sobering Look at What Betsy DeVos Did to Education in Michigan – And What She Might Do as Secretary of Education*, THE WASHINGTON POST (Dec. 8, 2016), <http://wapo.st/2tfErOy>.

⁵¹ *Id.*

⁵² Paul Blumenthal, *Here’s How Much Betsy DeVos and Her Family Paid To Back GOP Senators Who Will Support Her*, THE HUFFINGTON POST (Feb. 2, 2017), <http://bit.ly/2uSRE1T>.

⁵³ *Id.*

⁵⁴ Annie Waldman, *For-Profit Colleges Gain Beachhead in Trump Administration*, PROPUBLICA (March 14, 2017), <http://bit.ly/2veid0W>.

⁵⁵ Patricia Cohen, *Betsy DeVos’s Hiring of For-Profit College Official Raises Impartiality Issues*, THE NEW YORK TIMES (March 17, 2017), <http://nyti.ms/2u2CCGV>.

⁵⁶ Stephanie Gleason and Alan Zibel, *Corinthian Colleges Signs onto Plan to Dissolve Itself*, THE WALL STREET JOURNAL (July 4, 2014), <http://on.wsj.com/2uoLQOR>.

⁵⁷ Anya Kamenetz, *Why 18 States Are Suing Education Secretary Betsy DeVos*, NPR (July 8, 2017), <http://n.pr/2tg3PUe>.

⁵⁸ Danielle Douglas-Gabriel, *Trump Changes Higher Ed with Rollback of Obama-Era Consumer Protections*, THE WASHINGTON POST (July 9, 2017), <http://wapo.st/2t5enuk>.

⁵⁹ Press release, U.S. Department of Education, *Secretary DeVos Announces Regulatory Reset to Protect Students, Taxpayers, Higher Ed Institutions* (June 14, 2017), <http://bit.ly/2uSXgsU>.

to be used by students whose colleges engaged in certain unlawful conduct, including fraud and misrepresentation. The regulation was designed to ensure that “students who are lied to and mistreated by their school get the relief they are owed, and that schools that harm students are held responsible for their behavior,” former Education Secretary John King said when the rule was finalized.⁶⁰ The Obama-era rule also provides for automatic loan relief when large numbers of students were affected by a school’s closure.⁶¹

Consumer advocates pushed the Obama administration for the rule in the wake of the shutdown of Corinthian Colleges, which left students with academic credits that few other institutions would accept.⁶²

In addition, the borrower defense rule includes a provision strongly supported by Public Citizen prohibiting the use of forced-arbitration clauses by schools receiving federal student loan funding.⁶³

Fine-print arbitration clauses make it harder for students to challenge predatory practices. Nearly all schools using them are in the for-profit sector. The borrower defense rule prohibits schools participating in the main federal student loan program from requiring students to settle potential disputes in private arbitration rather than courts. It also prohibits them from barring students from pursuing class-action lawsuits.⁶⁴

The Department of Education has prevented the rule’s provisions on the borrower defense process and forced arbitration, among others, from taking effect.⁶⁵ Public Citizen represents two former students of a for-profit college who have sued the Department to challenge the delay of the rule and have moved to intervene in a separate lawsuit filed by a trade group to challenge the rule.⁶⁶

Under Trump, Poorly Performing Colleges May Keep Receiving Federal Aid

In June, the Education Department also announced it would rework the “gainful employment”⁶⁷ rule, which the Obama administration developed to protect students in career-oriented schools from programs that fail to deliver an education that prepares them for employment. Under the Obama-era rule, the Education Department can cut off federal student loan money to programs that

⁶⁰ Press release, U.S. Department of Education, *U.S. Department of Education Announces Final Regulations to Protect Students and Taxpayers from Predatory Institutions* (Oct. 28, 2016), <http://bit.ly/2tS7pWD>.

⁶¹ Anya Kamenetz, *Why 18 States Are Suing Education Secretary Betsy DeVos*, NPR (July 8, 2017), <http://n.pr/2tg3PUe>.

⁶² Chris Kirkham, *Students Left Hanging After Corinthian Closes Remaining Campuses*, THE LOS ANGELES TIMES (Aug. 28, 2017), <http://lat.ms/2t7lzt5>.

⁶³ Stacy Cowley and Patricia Cohen, *U.S. Halts New Rules Aimed at Abuses by For-Profit Colleges*, THE NEW YORK TIMES (June 14, 2017), <http://nyti.ms/2udlkcv>.

⁶⁴ Press release, U.S. Department of Education, *U.S. Department of Education Announces Final Regulations to Protect Students and Taxpayers from Predatory Institutions* (Oct. 28, 2016), <http://bit.ly/2tS7pWD>.

⁶⁵ Bill Chappell, *18 States Sue Betsy DeVos And Education Dept. Over Delay Of Borrower Defense Rule*, NPR (July 6, 2017), <http://n.pr/2uaBLGp>.

⁶⁶ Press release, Public Citizen, *Public Citizen and Project on Predatory Student Lending Represent Students Suing to Stop Education Department’s Illegal Delay* (July 6, 2017), <http://bit.ly/2u2cnQP>; Press release, Public Citizen, *Public Citizen and Project on Predatory Student Lending Intervene in Suit To Protect Students Victimized by Predatory Schools* (June 15, 2017), <http://bit.ly/2t05zGh>.

⁶⁷ Press release, U.S. Department of Education, *DeVos Presses Pause on Burdensome Gainful Employment Regulations* (June 30, 2017), <http://bit.ly/2t40s5P>.

consistently leave graduates with high levels of debt relative to their earnings. In anticipation of the rule taking effect, many schools have shut down programs that did not meet the rule's targets.⁶⁸

Dialing Back on Policing Poorly Performing Student Loan Servicers

In July 2016, the Obama administration announced that the Department of Education would consider student-loan debt collectors' track record — including customer service standards — when deciding on whether to award a new contract⁶⁹, after years of complaints about poor customer services among student borrowers and advocacy groups.⁷⁰ However, the Education Department withdrew the memo in April,⁷¹ upsetting student advocates who worry that problematic servicers will still be able to win lucrative government contracts.⁷²

Students Come Second at DeVos' Education Department

The Trump administration's affection for-profit colleges should not be a surprise. After all, Trump himself paid \$25 million to settle fraud claims related to his phony Trump University.⁷³ Unless the Trump administration's actions are halted in court, for-profit schools will continue to prey on unwary students, and those students will have a much harder time receiving redress.

⁶⁸ Press Release, Career Education Colleges and Universities, *CECU Statement on Borrower Defense and Gainful Employment* (June 14, 2017), <http://bit.ly/2tjXITZ>.

⁶⁹ Memo from Ted Mitchell, Under Secretary, U.S. Department of Education to James Runcie, Chief Operating Officer, Federal Student Aid, Re: Policy Direction on Federal Student Loan Servicing (July 20, 2016), <http://bit.ly/2tKjDSV>.

⁷⁰ Jillian Berman, *Betsy DeVos Reverses Obama-Era Directives Aimed at Protecting Student Loan Borrowers*, MARKETWATCH (April 12, 2017), <http://on.mktw.net/2uSoe3L>.

⁷¹ *Id.*

⁷² *Id.*

⁷³ Steve Eder and Jennifer Medina, *Trump University Suit Settlement Approved by Judge*, THE NEW YORK TIMES (March 31, 2017), <http://nyti.ms/2umS6lx>.

Energy: The Pro-Polluter Agenda

The Trump administration is delaying, weakening or repealing numerous clean air rules or policies that benefit public health and the Earth's climate and are favoring dirty fossil fuel-based polluters over the fast-growing and clean renewable energy sector.

Rules Under Attack, Renewables Undercut

In March, Trump directed the EPA to begin withdrawing the Clean Power Plan, which was integral to Obama's promise to cut greenhouse gas emissions by a quarter by 2025.⁷⁴ The Trump administration also has sought to delay, weaken or review an updated federal smog standard,⁷⁵ limits on methane leaks from new oil and gas operations,⁷⁶ a moratorium on new coal leases on federal lands⁷⁷ and U.S. participation in the Paris climate accord.⁷⁸

Energy Secretary Rick Perry has been skeptical of renewable energy despite rapidly declining costs and a surge in wind and solar power in his home state of Texas. Perry ordered a study of whether support for renewable energy harms the power grid. However, a draft version of the report obtained by Bloomberg News found that Energy Department policy experts believe wind and solar do not threaten the power grid's reliability.⁷⁹

Trump has proposed to eliminate several programs that save money for consumers, including the EPA's Energy Star efficiency program, which saved \$430 billion from 1990 to 201,⁸⁰ weatherization assistance⁸¹ and a program that helps coastal communities meet challenges posed by climate change.⁸²

⁷⁴ Coral Davenport and Alissa J. Rubin, *Trump Signs Executive Order Unwinding Obama Climate Policies*, THE NEW YORK TIMES (March 28, 2017), <http://pubc.it/2sifPcf>.

⁷⁵ Juliet Eilperin, *D.C. Circuit Grants EPA's Request to Delay Smog Rule Case*, THE WASHINGTON POST (April 11, 2017), <http://pubc.it/2shzVnd>; See also E. Scott Pruitt, *Letter to Governors*, June 6, 2017, <http://pubc.it/2si0OHB>.

⁷⁶ 82 FEDERAL REGISTER 25,730 (June 5, 2017), <http://pubc.it/2shNIQ0>.

⁷⁷ Devin Henry, *Trump Administration Ends Obama's Coal-Leasing Freeze*, THE HILL, (March 29, 2017), <http://pubc.it/2t5UNL8>.

⁷⁸ Michael D. Shear, *Trump Will Withdraw U.S. from Paris Climate Agreement*, THE NEW YORK TIMES (June 1, 2017), <http://pubc.it/2si7Vjm>.

⁷⁹ Catherine Traywick, Ari Natter, and Jennifer A Dlouhy, *Renewable Energy Not a Threat to Grid, Draft of U.S. Study Finds*, BLOOMBERG NEWS (July 14, 2017), <https://bloom.bg/2todayx>.

⁸⁰ Nives Dolšak & Aseem Prakash, *The Trump Administration Wants to Kill the Popular Energy Star Program Because It Combats Climate Change*, THE WASHINGTON POST (March 23, 2017), <http://pubc.it/2shELkn>.

⁸¹ Chris Mooney, *Trump Aims Deep Cuts at Energy Agency that Helped Make Solar Power Affordable*, WASHINGTON POST, (March 31, 2017), <http://pubc.it/2si9bmn>; TAYLOR LINCOLN, PUBLIC CITIZEN, BLINDED BY THE LIGHT: CRUSADE AGAINST ENERGY EFFICIENCY INITIATIVES IGNORES THEIR ROLE IN SAVING CONSUMERS MONEY 11 (2017), <http://pubc.it/2t1X6in>; Press release, U.S. Environmental Protection Agency, *EPA Honors 2017 Energy Star Partners of the Year for Outstanding Achievements in Energy Efficiency* (April 6, 2017), <http://pubc.it/2siFXnz>.

⁸² Brad Plumer, *Trump's Budget Would Hammer Climate Programs at EPA, NASA, NOAA, and Energy*, VOX (March 16, 2017), <http://pubc.it/2t1rvNY>.

Fossil Fuel Insiders Invade the Government

While attorney general in Oklahoma, EPA Administrator Scott Pruitt has received more than \$350,000 in contributions from the energy and natural resource⁸³ industry. While attorney general of Oklahoma, Pruitt sued the EPA 14 times to block its rules⁸⁴ and allowed Devon Energy to ghost-write documents on his letterhead, which he signed.⁸⁵

Until recently, Michael Catanzaro, a White House energy and environmental policy aide, was a lobbyist for energy industry clients including Devon Energy, Halliburton, Hess Corp., Koch Companies, and the American Chemistry Council. Other former Catanzaro clients include Loews Corp, which controls natural gas pipelines and an offshore oil drilling services company as well as power generator Talen Energy, owned by private equity firm Riverstone Holdings.⁸⁶

Secretary of State Rex Tillerson worked for oil giant ExxonMobil his entire career. He joined Exxon in 1975 and stayed until 2016, serving as CEO for the last ten of those years.⁸⁷ Investor Carl Icahn, a longtime Trump friend, serves as “special advisor to the President on regulatory reform.”⁸⁸ Through holding company Icahn Enterprises, he controls significant stakes in oil refiner CVR Energy and Cheniere Energy, the only company exporting natural gas from the lower 48 states.

Risk to the Planet

Trump’s dirty energy agenda could not come at a worse time for the planet. Global warming is already hurting America, and its effects could reach crisis levels by the second half of this century. Thirty percent of people worldwide are now subject to lethal heat waves for at least 20 days a year. By 2100 the number will rise to 74 percent, if trends continue.⁸⁹ Experts forecast four-to-five feet of sea-level rise by 2100,⁹⁰ and possibly as much as 15 feet.⁹¹ About 200,000 Americans die prematurely from pollution produced by burning fossil fuels, according to a 2013 study.⁹² Fossil-fuel air pollution would be the third-leading cause of death in the U.S if it were included in the

⁸³ National Institute on Money in State Politics, FollowTheMoney.org database (accessed July 17, 2017), <http://bit.ly/2u2lpNR>.

⁸⁴ *Pruitt v. EPA: 14 Challenges of EPA Rules by the Oklahoma Attorney General*, THE NEW YORK TIMES (Jan. 14, 2017), <http://pubc.it/2uMPtwN>.

⁸⁵ Oliver Milman, *Scott Pruitt’s EPA: A Dream for Oil and Gas Firms Is Nightmare for Environment*, THE GUARDIAN (Dec. 8, 2016), <http://pubc.it/2tEbfUI>; Eric Lipton, *Energy Firms in Secretive Alliance With Attorneys General*, THE NEW YORK TIMES (Dec. 6, 2014), <http://pubc.it/2tlcQHB>; *Devon Energy Scripted Letters*, THE NEW YORK TIMES (Dec. 7, 2014), <http://pubc.it/2tJe6ds>.

⁸⁶ Lobbying Disclosure Act Database maintained by the secretary of the Senate (searched on July 17, 2017), <http://bit.ly/2uFiD8w>.

⁸⁷ Christopher Dean Hawkins, *What We Know About Rex Tillerson, Trump’s Pick for Secretary of State*, NPR (Dec. 13, 2016), <http://pubc.it/2tIpKol>.

⁸⁸ Public Citizen complaint concerning Carl Icahn filed with the clerk of the U.S. House of Representatives and the secretary of the U.S. Senate (March 8, 2017), <http://bit.ly/2u5M6kF>.

⁸⁹ Marianne Lavelle, *Deadly Heat Waves Could Endanger 74% of Mankind by 2100, Study Says*, INSIDE CLIMATE NEWS (June 19, 2017), <http://pubc.it/2t62z7O>.

⁹⁰ JOE ROMM, CLIMATE CHANGE: WHAT EVERYONE NEEDS TO KNOW (2015).

⁹¹ Eric Holthaus, *James Hansen’s Bombshell Climate Warning Is Now Part of the Scientific Canon*, SLATE (March 22, 2017), <http://pubc.it/2t5DH01>.

⁹² Fabio Caiazzo et al., *Air pollution and Early Deaths in the United States. Part I: Quantifying the Impact of Major Sectors in 2005*, ATMOSPHERIC ENVIRONMENT p. 198 (2013).

rankings.⁹³ More than 22 million elderly Americans and more than 39 million children live in counties that the American Lung Association has graded “F” for at least one fossil-fuel pollutant.⁹⁴ Trump’s pro-pollution agenda would make these problems worse.

⁹³ *Leading Causes of Death*, CENTERS FOR DISEASE CONTROL AND PREVENTION, <http://pubc.it/2t1YvW0> (viewed on June 28, 2017).

⁹⁴ AMERICAN LUNG ASSOCIATION, STATE OF THE AIR 2016, <http://pubc.it/2sj8JEE>.

Financial Services: Government by Goldman Sachs

During the campaign, Trump pledged conflicting policies toward Wall Street. In addition to frequent stabs at Hillary Clinton's Wall Street connections,⁹⁵ he pledged to reinstate Glass-Steagall, the 1933 law separating commercial and investment banking.⁹⁶ But he also promised to derail the 2010 Wall Street Reform and Consumer Protection Act that President Obama signed into law in response to the 2008 financial meltdown.⁹⁷

Wall Street Connections Run Deep

Trump pilloried rival Hillary Clinton for her ties to the financial sector (She's "totally controlled by Wall Street"⁹⁸), and derided the influence of firms such as Goldman Sachs in the "swamp" of influence peddlers in Washington. Despite this anti-Wall Street talk, Trump has long relied on loans from banks to fund his real estate empire. Since 1998, Deutsche Bank has led or participated in loan packages totaling \$2.5 billion to firms affiliated with Trump.⁹⁹

Bankers Dominate the Trump Administration

Since winning the election, Trump's appointments and policies have been unambiguously pro-Wall Street. He named Goldman Sachs alumnus Steve Mnuchin to be Treasury Secretary, a contentious appointment given Mnuchin's stewardship of OneWest, a Southern California bank that foreclosed on more than 130,000 homeowners¹⁰⁰ after being shuttered by federal bank regulators in its prior incarnation as IndyMac Bancorp. Critics dubbed him the "Foreclosure King."¹⁰¹ Trump named another OneWest executive, Joseph Otting, to oversee national banks at the Office of the Comptroller of the Currency (OCC); he awaits Senate confirmation.¹⁰²

To be interim Comptroller, Trump named Keith Norieka, a banking attorney whose clients included Goldman Sachs, JPMorgan Chase and Bank of America.¹⁰³ Trump named Goldman Sachs chief operating officer Gary Cohn to head the National Economic Council, and Goldman Sachs outside counsel Walter "Jay" Clayton to chair the Securities and Exchange Commission. Yet another Goldman alumnus, Steve Bannon, serves as a senior White House adviser.

⁹⁵ Charlotte Alter, Ryan Teague Beckwith, *Draining the Swamp*, TIME (Jan 17, 2017), <http://ti.me/2tmOPsW>.

⁹⁶ Emily Stephenson, *Trump Calls for '21st century' Glass-Steagall Banking Law*, REUTERS (Oct. 26, 2016), <http://reut.rs/2tne4eo>.

⁹⁷ Chris Kaufman, *Republican Trump Says 70 Percent of Federal Regulations 'Can Go'*, REUTERS (Oct. 6, 2016), <http://reut.rs/2tn11cZ>.

⁹⁸ Bryce Covert, *Don't Be Fooled by the Republicans' Call to Reinstate Glass Steagall*, THINK PROGRESS (July 19, 2016), <http://bit.ly/2tmUSb2>.

⁹⁹ Anupreeta Das, *When Trump Needs a Loan, He Chooses Deutsche Bank*, THE WALL STREET JOURNAL (March 20, 2016), <http://on.wsj.com/2tnEjSd>.

¹⁰⁰ AnnaMaria Andriotis, *Not the 'Foreclosure King'*, THE WALL STREET JOURNAL (Jan. 17, 2017), <http://on.wsj.com/2tngCte>.

¹⁰¹ Bartlett Naylor, *Treasury Secretary Mnuchin's Unbelievable Testimony*, CITIZENVOX (May 26, 2017), <http://bit.ly/2tndcGO>.

¹⁰² Jesse Hamilton, *Trump Picks Ex-Banker Otting to Regulate Wall Street at OCC*, BLOOMBERG (June 5, 2017), <https://bloom.bg/2uzoSpy>.

¹⁰³ Kevin Dugan, *Comptroller of the Currency Gig Probably the Easiest in DC*, NEW YORK POST (June 9, 2017), <http://nyp.st/2tnos5U>.

Rolling Back Safeguards

With this phalanx of Goldman Sachs and OneWest bankers now influencing policy and regulation, Trump has begun dismantling the guardrails that are meant to protect the public from Wall Street. In June, Mnuchin's Treasury Department released a foreboding blueprint for deregulation.¹⁰⁴ The report takes clearest aim at the Volcker Rule, which prohibits banks from making short-term "proprietary" trades for profit. It also criticizes the Consumer Financial Protection Bureau (CFPB) and embraces many goals of the major banks.¹⁰⁵ The report does not mention restoring Glass-Steagall and ignores many of the lessons of the housing bust and resulting financial crisis, which led to the Great Recession and cost millions of Americans their homes, savings, and jobs.

The CFPB is a clear example: The consumer-focused regulator was created in the wake of the financial crisis to protect the public from predatory financial firms. The agency has already returned some \$12 billion to 29 million victims. But Mnuchin and critics on Capitol Hill call the CFPB agency "unaccountable" – and seek to eliminate the agency's supervisory authority, curb a public consumer complaint database, and turn the director into an employee the president can fire at will.

For many changes, Treasury doesn't need Congress to act. For example, Keith Noreika, the financial industry lawyer installed by Trump as Acting Comptroller of the Currency, a top bank regulatory job, told *The Wall Street Journal* that banking regulators could grant banks flexibility by adopting a looser interpretation of the Volcker Rule, "There could be things that could be done even by our agency unilaterally if we had to" such as "reinterpreting what is proprietary trading," he said.¹⁰⁶

Treasury could also reverse course on the Obama administration's appeal of a federal judge's April 2016 ruling¹⁰⁷ striking down the government's decision that MetLife should be deemed a potential risk to the financial system and subject to additional oversight. Meanwhile, the White House hired a lobbyist who formerly worked for Metlife, Andrew Olmem, to work on banking issues.¹⁰⁸

Increased Vulnerability to Another Crisis

The Trump administration's changes would make Americans more vulnerable to the sort of reckless bets that upended the economy in 2008 and to scams by unscrupulous bankers. The anti-consumer bent of Trump's nominees is already clear.

For example, the Trump-appointed Acting Comptroller of the Currency, Norieka, has been sparring publicly with the Obama-appointed Richard Cordray, who leads the CFPB, over whether a recently

¹⁰⁴ *A Financial System that Creates Economic Opportunities*, U.S. DEPARTMENT OF THE TREASURY (June 2017), <http://bit.ly/2u2INuw>.

¹⁰⁵ *The Trump Treasury and the Big Bank Agenda*, AMERICANS FOR FINANCIAL REFORM (June 2017), <http://bit.ly/2u2xSRI>.

¹⁰⁶ Ryan Tracy and Liz Hoffman, *The Volcker Rule: How Trump's New Regulator May Unleash Big Banks* THE WALL STREET JOURNAL (MAY 11, 2017), <http://on.wsj.com/2tiyQvM>.

¹⁰⁷ Lisa Lambert, *U.S. Court Puts Hold on 'Too Big To Fail' Case Involving Metlife*, REUTERS (May 12, 2017), <http://reut.rs/2u2k75o>.

¹⁰⁸ David Dayen, *Trump Just Set His Lobbying Rules On Fire*, THE NATION, (June 1, 2017), <http://bit.ly/2u2wH4q>.

adopted rule that lets consumers band together in groups to sue financial firms, rather than through forced arbitration, will harm banks' finances.¹⁰⁹

Trump appointees at the Department of Labor and Securities and Exchange Commission have solicited public input on an Obama-era rule ensuring that financial advisors put their customers' interests first, ahead of any commission the advisor might earn for recommending unnecessary expensive products.¹¹⁰ Investors lose an estimated \$17 billion every year in hidden fees and sales commissions that line the pockets of financial advisers. Opponents of the rule are pushing legislation to repeal the rule and cut off funding for its enforcement.¹¹¹

The 2008 financial crash centered on unsound mortgages, but the subsequent collapse of housing prices led to damage outside the housing market. Without proper safeguards, the next financial meltdown may center on other areas and claim other victims.

¹⁰⁹ Rachel Witkowski, *Banking Regulator Urges CFPB to Delay Rule Barring Mandatory Arbitration* THE WALL STREET JOURNAL (July 17, 2017), <http://on.wsj.com/2tklq2n>.

¹¹⁰ Hazel Bradford, *SEC Seeks Public Comment on Fiduciary Rule Impact*, PENSIONS AND INVESTMENTS (June 2, 2017), <http://bit.ly/2tn01Wo>.

¹¹¹ Mark Schoeff Jr., *House Committees Ready Two Assaults on DOL Fiduciary Rule This Week*, INVESTMENT NEWS (July 17, 2017), <http://bit.ly/2tjHf22>.

Food: The Fast Food Presidency

Trump's presidential campaign pledged to eliminate the "FDA food police," and warned of "inspection overkill,"¹¹² statements that were later withdrawn from the campaign's website.¹¹³ Since the election, Trump has catered to corporate food producers and agribusiness' demands at the expense of food safety.

Drinking Water, Labor Standards Suffer

The Trump administration decided in June to revoke an Obama-era rule giving the EPA broad power over pollution in wetlands and tributaries that flow into rivers.¹¹⁴ This decision was a major victory for the agribusiness lobby,¹¹⁵ but it unwinds protections of Americans' drinking water from pollution, including pesticide runoff from industrial farms. Eliminating the rule will stymie the EPA's efforts to prevent agricultural runoff – especially pesticides and animal waste – from contaminating these waters, which supply drinking water for about 117 million Americans (more than a third of the population).¹¹⁶

Trump also eliminated the EPA's civil rights office, which protected communities of color from animal waste pollution from large-scale livestock operations.¹¹⁷ Finally, Trump's Department of Labor rescinded the "joint employer" rule. That rule made it easier for franchise workers such as those at fast-food restaurants to form and join labor unions.¹¹⁸

Agribusiness and Fast Food Ties

Trump's first Labor Secretary nominee was a fast food CEO, Andy Puzder, who ended up withdrawing from consideration for the position before his confirmation hearings.¹¹⁹ However, agribusiness tycoon and former Georgia Gov. Sonny Perdue, was confirmed to head the U.S. Department of Agriculture.¹²⁰ A top Perdue aide, Rebecca Adcock, is a former lobbyist for the Farm Bureau and for pesticide makers.¹²¹ Brenda Fitzgerald, Trump's director of the Centers for Disease

¹¹² Lydia Wheeler, *Trump Floats Rolling Back Food Safety Regulations*, THE HILL (Sept. 15, 2016), <http://bit.ly/2cdakU8>.

¹¹³ Carolyn Heneghan, *Why Trump Changed His Mind About Getting Rid of the 'Food Police'*, FOOD DIVE, (Sept. 19, 2016), <http://bit.ly/2t8oXwl>.

¹¹⁴ Juliet Eilperin and Steven Mufson, *Trump Administration to Propose Repealing Rule Giving EPA Broad Authority Over Water Pollution* THE WASHINGTON POST (June 27, 2017), <http://wapo.st/2u5fMOS>.

¹¹⁵ Timothy Cama, *Farm Bureau Pledges to Fight EPA's Water Rule*, THE HILL (April 22, 2014), <http://bit.ly/2tyKjCR>.

¹¹⁶ ENVIRONMENTAL PROTECTION AGENCY, SECTION 404 OF THE CLEAN WATER ACT: GEOGRAPHIC INFORMATION SYSTEMS ANALYSIS OF THE SURFACE DRINKING WATER PROVIDED BY INTERMITTENT, EPHEMERAL, AND HEADWATER STREAMS IN THE U.S. <http://bit.ly/2ll3w5H>.

¹¹⁷ Craig Jarvis, *EPA faults N.C. over health of minority communities near hog farms* THE NEWS & OBSERVER (Jan. 18, 2017), <http://bit.ly/2u5ujtF>.

¹¹⁸ Kent Hoover, *NLRB rewrites 'Joint Employer' Rule, Opens Business Relationships In Franchising, Outsourcing* AMERICAN CITY BUSINESS JOURNALS (Aug. 27, 2015), <http://bit.ly/2u2Y9z1>.

¹¹⁹ Burgess Everett, Tara Palmeri, et al., *Labor Nominee Puzder Withdraws*, POLITICO (Feb. 15, 2017), <http://politi.co/2uvW5Cb>.

¹²⁰ Bartholomew D. Sullivan, *Sonny Perdue Is Confirmed by the Senate as the Next Agriculture Secretary*, USA TODAY (April 24, 2017), <https://usat.ly/2tyQF4S>.

¹²¹ Danielle Ivory and Robert Faturechi, *The Deep Industry Ties of Trump's Deregulation Teams*, THE NEW YORK TIMES (July 11, 2017), <http://nyti.ms/2ud98l6>.

Control,¹²² worked closely with Coca-Cola, under fire by public health advocates for selling sugary drinks, on a public health program in Georgia.¹²³

Prior to his presidency, Trump appeared in television commercials for McDonalds, Pizza Hut, Pepsi and Oreo cookies.¹²⁴ Food corporations including Anheuser Busch, Campbell Soup Co., Coca-Cola, PepsiCo and Chiquita gave more than \$1.6 million toward Trump's inaugural festivities. The largest of the food industry's inaugural contributions was \$500,000 from sugar giant Florida Crystals Corporation,¹²⁵ which is privately owned by the billionaire Fanjul brothers, who are members of Trump's Mar-a-Lago resort in Palm Beach, Fla.¹²⁶ (The restaurant has been flagged for multiple food safety violations.¹²⁷) President Trump has met twice with Indra Nooyi, CEO of PepsiCo and a member of Trump's "Strategic and Policy Forum"¹²⁸ as well as the CEOs of Archer Daniels Midland and Campbell Soup Co.¹²⁹

Meanwhile, the sugar industry is a big winner following the Trump administration's negotiations with Mexico over sugar trade issues,¹³⁰ and the Trump Justice Department has approved one mega-merger between chemical titans with close ties to the food industry (Dow and DuPont)¹³¹ and may approve another (between Bayer and Monsanto).¹³²

Big Sugar Wins, School Nutrition Loses

A number of Trump's deregulatory moves directly benefit the food industry. He signed an executive order to initiate agricultural deregulation.¹³³ Trump's USDA has weakened school lunch standards¹³⁴ and delayed rules to clarify animal welfare standards for organic meats.¹³⁵ Trump's

¹²² Helen Branswell, *Dr. Brenda Fitzgerald Is Named New CDC Director*, STATNEWS (July 6, 2017), <http://bit.ly/2sU7N4S>.

¹²³ Rob Waters, *Trump's Pick to Head CDC Partnered With Coke, Boosting Agency's Longstanding Ties to Soda Giant*, FORBES (July 10, 2017), <http://bit.ly/2u250Zl>.

¹²⁴ Kate Bratskeir, *The Complete History of Donald Trump's Forgotten Cameos in Fast Food Commercials*, MIC (March 18, 2017), <http://bit.ly/2vaEBZl>.

¹²⁵ CENTER FOR RESPONSIVE POLITICS, TRUMP 2017 INAUGURATION DONORS (2017), <http://bit.ly/2qSTC0l>.

¹²⁶ Mark Seal, *How Donald Trump Beat Palm Beach Society and Won the Fight for Mar-a-Lago*, VANITY FAIR (Dec. 27, 2016), <http://bit.ly/2ivlj9R>.

¹²⁷ Richard Luscombe, *Trump's Mar-A-Lago Club Cited for Serious Food Safety Violations*, THE GUARDIAN (April 13, 2017), <http://bit.ly/2pe6Cnc>.

¹²⁸ Press Release, The Trump-Pence Transition Team, *President-Elect Donald J. Trump Announces Travis Kalanick of Uber, Elon Musk of SpaceX and Tesla, and Indra Nooyi of PepsiCo to Join President's Strategic and Policy Forum* (Dec. 14, 2016), <http://bit.ly/2t8KgOr>.

¹²⁹ Press Release, The White House Office of the Press Secretary, *Remarks by President Trump in Meeting with Manufacturing CEOs* (Feb. 23, 2017), <http://bit.ly/2mhaYS2>.

¹³⁰ Rex Nutting, *Trump Touts a Sweetheart Deal that Doesn't Put America First*, MARKETWATCH (June 29, 2017), <http://on.mktw.net/2unRGxP>.

¹³¹ Diane Bartz, *Dow, DuPont Merger Wins U.S. Antitrust Approval with Conditions*, REUTERS (June 15, 2017), <http://reut.rs/2uw5CZU>.

¹³² *Bayer to Boost U.S. Jobs, Investments Amid Monsanto Deal: Trump Spokesman*, REUTERS (Jan. 17, 2017), <http://reut.rs/2tyBCZ7>.

¹³³ Elizabeth Grossman, *Trump Executive Order Promises to Slash Farm Regulations*, CIVIL EATS (May 8, 2017), <http://bit.ly/2qSKc4Z>.

¹³⁴ Jessica Taylor, *Trump Administration Rolls Back Michelle Obama's Healthy School Lunch Push*, NATIONAL PUBLIC RADIO (May 1, 2017), <http://n.pr/2pz0QnZ>.

¹³⁵ Mary Clare Jalonick, *Ag Dep't Delays Animal Welfare Standards for Organic Meats*, ASSOCIATED PRESS (May 9, 2017), <http://bit.ly/2u274Rr>.

FDA has delayed updated nutrition labeling rules,¹³⁶ impeding consumers' ability to make informed choices at grocery stores. The weakening of standards for school lunches translates to sugary, salty, fatty foods served to students and poor nutrition.¹³⁷

Trump's budget slashes spending on food safety programs, a move that a food safety advocate called "incredibly disappointing and irresponsible."¹³⁸ It's also risky for the American people. About one in six Americans are sickened each year from foodborne illness, according to the Centers for Disease Control. Of these, 128,000 are hospitalized and 3,000 die,¹³⁹ a number that's could increase if food-safety standards are weakened.

¹³⁶ Caitlin Dewey, *Industry Is Counting on Trump to Back Off Rules That Tell You What's in Your Food*, THE WASHINGTON POST (April 27), <http://wapo.st/2u2bdVg>.

¹³⁷ Erica L. Green and Julie Hirschfeld Davis, *Trump Takes Aim at School Lunch Guidelines and a Girls' Education Program*, THE NEW YORK TIMES (May 1, 2017), <http://nyti.ms/2pDRdlw>.

¹³⁸ Josh Long, *Consumer Groups Slam Trump's Plan to Reduce FDA Food Safety Budget* NATURAL PRODUCTS INSIDER <http://bit.ly/2u5Iejw>.

¹³⁹ CENTERS FOR DISEASE CONTROL AND PREVENTION, ESTIMATES OF FOODBORNE ILLNESS IN THE UNITED STATES (2016), <http://bit.ly/2uB8a9I>.

Pharmaceuticals: Profit over Patients

Trump has cast himself as an opponent of pharmaceutical industry greed, accusing drug companies of “getting away with murder” because of prescription drug price spikes.¹⁴⁰ During his presidential campaign, Trump proposed a plan to allow Americans purchase lower-priced medicines from abroad¹⁴¹ and expressed support for allowing Medicare to negotiate lower prices.¹⁴²

Trump’s Flip-Flop on Drug Prices

Soon after taking office, Trump met with executives representing some of the largest drug companies, including Johnson & Johnson, Merck, Amgen and the head of the industry’s lobby group, PhRMA. Instead of standing up to the industry, he pledged to eliminate 75 to 80 percent of Food and Drug Administration regulations.¹⁴³

Trump continued to claim that lowering prices was a priority. But a draft White House drug price proposal revealed that Trump’s White House fully caved in to the industry.¹⁴⁴ Instead of lowering prices, the White House draft proposal would reduce patient protections and strengthen the industry’s monopoly power, resulting in increased prices abroad and potentially even raising prices within the U.S.¹⁴⁵ The draft was conceived by a working group led by Joe Grogan, a former lobbyist for the prescription drug corporation Gilead. Public Citizen has posted additional leaked discussion documents suggesting other industry-friendly changes on its website.¹⁴⁶

Deep Ties to Big Pharma

Trump’s Federal Drug Administration commissioner, Dr. Scott Gottlieb, has deep ties to the industry. Previously a venture capitalist with a firm that specializes in biopharmaceuticals, medical devices and health care services, Gottlieb also has served on pharmaceutical company boards. He has in recent years received \$559,000, in total, from drug and medical device companies, including

¹⁴⁰ Carolyn Y. Johnson, *Trump on Drug Prices: Pharma Companies Are ‘Getting Away With Murder,’* THE WASHINGTON POST (Jan. 11, 2017), <http://wapo.st/2t9ghGr>.

¹⁴¹ David Nather, *Trump’s Health Care Plan Takes (Another) Page from the Democrats,* STATNEWS (March 2, 2017), <http://bit.ly/2jscTls>.

¹⁴² Carolyn Y. Johnson, *Trump on Drug Prices: Pharma Companies Are ‘Getting Away With Murder,’* THE WASHINGTON POST (Jan. 11, 2017), <http://wapo.st/2t9ghGr>.

¹⁴³ Maggie Fox, *Speed Up Drug Approvals? FDA Already Did,* NBC NEWS (Feb. 1, 2017), <http://nbcnews.to/2vb5P2t>.

¹⁴⁴ Sheila Kaplan and Katie Thomas, *Draft Order on Drug Prices Proposes Easing Regulations,* THE NEW YORK TIMES (June 20, 2017), <http://nyti.ms/2r0l5Es>.

¹⁴⁵ Press Release, Public Citizen, *Draft Trump Executive Order Abandons Promises to Challenge Big Pharma and Make Medications Affordable* (June 23, 2017), <http://bit.ly/2vvgayW>.

¹⁴⁶ *Trump’s Agenda on Drug Prices,* PUBLIC CITIZEN, <http://bit.ly/2tcGcNf>.

Pfizer, AstaZeneca, GlaxoSmithKline, Bristol-Myers Squibb and Valeant.¹⁴⁷ The pay was mostly for consulting and speaking fees.¹⁴⁸

Pharmaceutical corporations also hope to benefit from a separate Trump administration executive order¹⁴⁹ that makes it easier for corporations to use “inversions” to avoid paying U.S. taxes, a scheme several of the companies already have employed.¹⁵⁰ Trump previously criticized the practice.¹⁵¹

Pharmaceutical Industry Contributed Heavily to Trump’s Inauguration

Among the pharmaceutical industry contributors to Trump’s inauguration were Pfizer (\$1 million), Amgen (\$500,000) and Abbott Laboratories (\$35,000). Trump has personally met with at least eight pharmaceutical industry executives, including the head of PhRMA, the industry’s lobbying group.¹⁵² At Trump’s meetings with industry executives, some go out of their way to demonstrate agreement with Trump’s policies. Amgen CEO Robert Brad said his company would add 1,600 jobs.¹⁵³

Fueling Drug Price Increases

The Trump’s administration’s emerging approach to pharmaceutical regulation delivers favors to the pharmaceutical industry and fails to meet doctors’ traditional pledge to “first, do no harm.” Consumers will feel the effects of drug price spikes facilitated by industry monopolization. These costs translate into price-gouging of taxpayer-funded programs, including Medicare and the Veterans Administration, breaking candidate Trump’s promise to lower consumers’ costs.

¹⁴⁷ Physician Profile for Scott Gottlieb, CENTERS FOR MEDICARE AND MEDICAID SERVICES (viewed on July 18, 2017), <http://bit.ly/2uszjLC>.

¹⁴⁸ Press Release, Public Citizen, *Venture Capitalist Gottlieb Has Too Many Conflicts to Run FDA; We Need a Nominee Who Will Protect Public Health Instead of Industry* (April 4, 2017), <http://bit.ly/2uswjoV>.

¹⁴⁹ Larry Light, *Trump Takes Aim at Obama’s Ban on ‘Tax Inversions,’* CBS MONEYWATCH (April 21, 2017), <http://cbsn.ws/2urTUQs>.

¹⁵⁰ Jonathan D. Rockoff, *Why Pharma Is Flocking to Inversions,* THE WALL STREET JOURNAL (July 14, 2017), <http://on.wsj.com/2uBRcbu>.

¹⁵¹ Paul R. La Monica, *Company that Trump Bashed Isn’t Backing Down,* CNN MONEY (Feb. 3, 2017), <http://cnmmon.ie/2vvi4X6>.

¹⁵² Rick Claypool, *Corporate Executives Swamp the White House,* CITIZENVOX (April 17, 2017), <http://bit.ly/2paGExd>; Press Release, Pharmaceutical Research and Manufacturers of America, *PhRMA Statement Following Meeting With President Trump* (Jan. 31, 2017), <http://onphr.ma/2veaBMw>.

¹⁵³ Roberta Rampton and Deena Beasley, *Trump Pushes Drugmakers for Lower Prices, More U.S. Production,* REUTERS (Jan. 31, 2017), <http://reut.rs/2jQ6qCZ>.

Prisons: A For-Profit Bonanza

Trump's extreme anti-immigration rhetoric on the campaign trail was music to the ears of the for-profit prison industry. Trump's election sent the prison-industry stocks soaring. He quickly rewarded the industry and its investors by putting forth policies that would greatly increase the number of incarcerated people and permit for-profit companies to house prisoners.

Trump's Policies Promised to Increase the Number of Prisoners in the United States

Trump's vow to deport up to 3 million undocumented immigrants and his proposal to impose a mandatory minimum sentence of five-years for criminal re-entry into the United States would expand the prison population by up to 65,000 and require the construction of at least 20 new prisons, according to American Bar Association analysis of a similar policy.¹⁵⁴

Also, an executive order Trump signed to initiate construction of the southern border wall calls for the construction of a new and expanded network of U.S. Immigration and Customs Enforcement detention facilities. A memo circulated within Trump's Homeland Security Department called for doubling the number of people to be incarcerated by the department to 80,000.¹⁵⁵

Trump Administration Reversed Phase-out of For-Profit Prison Companies Housing Federal Inmates

Within one month of his confirmation. Attorney General Jeff Sessions ended the Obama policy, enacted in August 2016, forbidding the detainment of federal inmates in for-profit prisons.¹⁵⁶ In May, the Justice Department awarded GEO Group \$664 million in federal contracts.¹⁵⁷

Trump's Promises and Policies Have Caused Stock in For-Profit Prison Companies to Soar

These factors have caused stock in for-profit prison companies to surge since Trump's election. Stock in the two largest prison-industry companies, Core Civic (formerly Corrections Corporation of America) and the Geo Group, jumped 43 percent and 21 percent, respectively, on the first day after Trump's election. The stocks were up 102 percent and 190 percent, respectively, through July 18.¹⁵⁸ [See figure.]

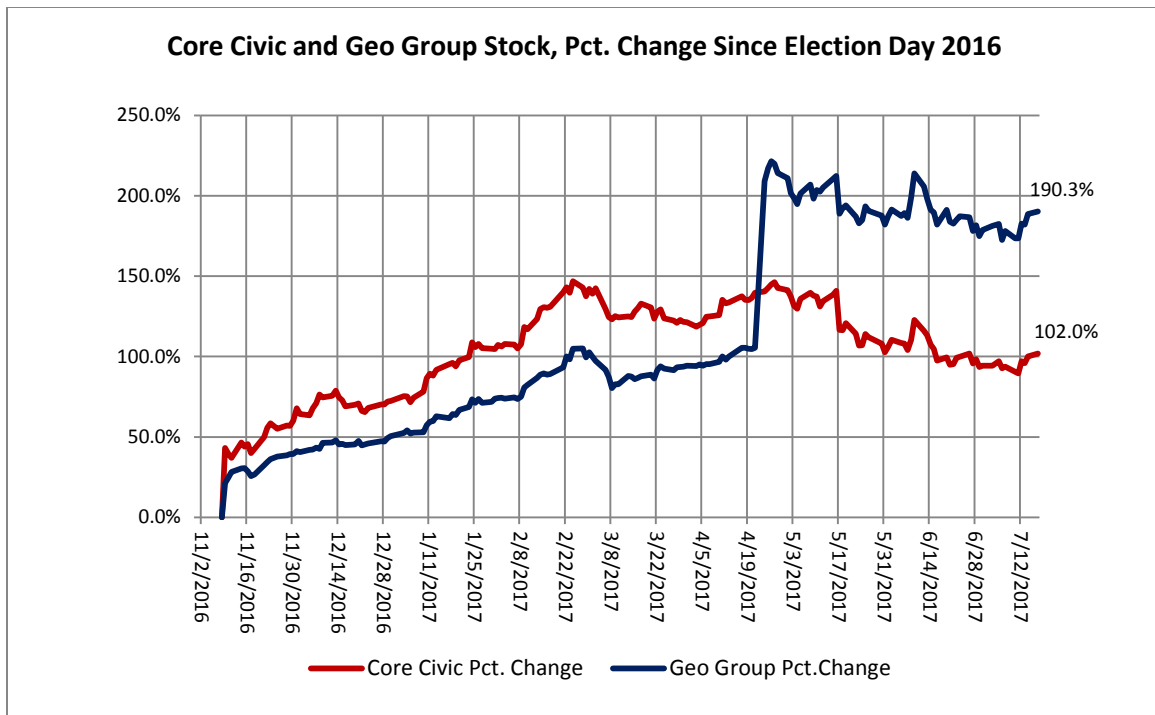
¹⁵⁴ Letter from Thomas M. Susman, Director of the Global Affairs Office, American Bar Association, to Leadership of the House and Senate Judiciary Committees (July 30, 2015), <http://bit.ly/2u7fWXm>.

¹⁵⁵ Brian Bennett, *Not Just 'Bad Hombres': Trump Is Targeting up to 8 Million People for Deportation*, LOS ANGELES TIMES (Feb. 4, 2017), <http://lat.ms/2kAkQbK>.

¹⁵⁶ Matt Zaposky, *Justice Department Will Again Use Private Prisons*, THE WASHINGTON POST (Feb. 23, 2017), <http://wapo.st/2vaHpG9>.

¹⁵⁷ Elizabeth Balboa, *GEO Group Secures \$664 Million In Federal Contracts*, BENZINGA / YAHOO! FINANCE (May 26, 2017), <https://yhoo.it/2u71n6g>.

¹⁵⁸ Public Citizen analysis of data provided by Google Finance.



Source: Google Finance.

Trump, Sessions Ignore Mountains of Evidence Against Private Prisons

The Obama administration's ended its use of for-profit prisons after a *Mother Jones* expose¹⁵⁹ and an inspector general's report¹⁶⁰ revealed them to be less safe and less effective than government-run prison facilities.

Private prisons "simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs; and as noted in a recent report by the Department's Office of Inspector General, they do not maintain the same level of safety and security," wrote Sally Yates, who served as deputy attorney general during the Obama administration.¹⁶¹

The Justice Policy Institute estimates that the cost of criminalizing immigration exceeds \$3.8 billion each year; cities that provide safe harbor for immigrants can incur costly legal fees from federal enforcement agencies.¹⁶² More difficult to quantify are harms related to increased fear of law

¹⁵⁹ Shane Bauer, *My Four Months as a Private Prison Guard*, MOTHER JONES (July/August 2016), <http://bit.ly/2tOPeCy>.

¹⁶⁰ U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL, REVIEW OF THE FEDERAL BUREAU OF PRISONS' MONITORING OF CONTRACT PRISONS (2016), <http://bit.ly/2aXwJSS>.

¹⁶¹ Memorandum from Deputy Attorney General Sally Q. Yates for the Acting Director of the Federal Bureau of Prisons (Aug. 18, 2016), <http://bit.ly/2u2D4Vs>.

¹⁶² JUSTICE POLICY INSTITUTE, THE COST OF CRIMMIGRATION: EXPLORING THE INTERSECTION BETWEEN CRIMINAL JUSTICE AND IMMIGRATION (2017), <http://bit.ly/2u5zqKq>.

enforcement among immigrants and other communities that are subject to disproportionate “broken windows” policing.¹⁶³

The Prison Industry Supported Trump Inauguration

CoreCivic and Geo Group each contributed \$250,000 toward Trump’s inauguration. Geo Group also contributed \$225,000 to a super PAC that spent \$22 million to help elect Trump.¹⁶⁴ The for-profit prison industry has a history of political campaign spending, having spent more than \$6.4 million since 1990 on campaign contributions, mostly to help Republicans.¹⁶⁵ Since 2010, the three largest for-profit prison corporations (CoreCivic, Geo Group and Management and Training Corporation) have spent \$9.7 million lobbying lawmakers and federal agencies.¹⁶⁶

¹⁶³ Delores Jones-Brown, *There’s Little Evidence that “Broken Windows” Policing Works*, THE NEW YORK TIMES (Dec. 4, 2014), <http://nyti.ms/2u5BP7R>.

¹⁶⁴ Fredreka Schouten, *Private prisons back Trump and could see big payoffs with new policies*, USA TODAY (Feb. 23, 2017), <https://usat.ly/2tnlbn4>.

¹⁶⁵ CENTER FOR RESPONSIVE POLITICS, FOR-PROFIT PRISONS TOTALS (2017), <http://bit.ly/2tn4GI1>.

¹⁶⁶ Emma Baccellieri, *Spotlight on Private Prisons*, OPENSECRETS BLOG (Aug. 23, 2016), <http://bit.ly/2tnzzM7>.

Telecom: Dialing Up Favors from Trump

A month before the 2016 election, the telecom giant Verizon CEO Lowell McAdam joked that the election made him want to put his “head through the wall,”¹⁶⁷ according to *Politico*. McAdam was apparently hesitant to state a preference between Donald Trump and Hillary Clinton.

Trump Stuffs His Administration with Insiders from Large Telcos

But just days after Trump’s election, McAdam had a reason to be happy. Trump selected a former Verizon consultant, Jeffrey Eisenach, to lead his transition team’s effort to select new staffers at the Federal Communications Commission, which regulates the telecom industry.¹⁶⁸

Eisenach had been a consultant for multiple telecom companies, helping cellular companies battle¹⁶⁹ the FCC’s net neutrality regulations, which prohibit internet service providers from separating the internet into a fast-lanes for big media companies and a slow-lanes for others. This issue has become ever-more important as more providers of high-speed internet services also have become major content providers. For instance, Comcast owns broadcaster NBC Universal¹⁷⁰ and AT&T has reached an agreement to take over Time Warner Inc.

Doing Away with Net Neutrality Rules

The choice of Eisenach to lead the transition team’s FCC staffing efforts was just the beginning. The biggest win for the telecom industry was the appointment of Ajit Pai as to be chairman of the FCC.¹⁷¹ Pai, a Republican nominee to the FCC under President Obama who previously worked for Verizon and the Justice Department.¹⁷² Pai’s first target was the net neutrality rulemaking finalized by the Obama administration in 2015.¹⁷³ Under Pai, the FCC has proposed a plan that would undo the net neutrality rules by making them “voluntary.”¹⁷⁴

Internet Providers Can Sell Their Customers’ Web Browsing Data

In October 2016, the FCC approved new rules require broadband providers to get users’ permission before collecting information on their web browsing and other data.¹⁷⁵ “It is the consumer’s information,”¹⁷⁶ Tom Wheeler, the FCC’s former chairman told *The New York Times*. “It is not the

¹⁶⁷ Li Zhou, *Apple-Samsung Patent Case Argued Before Supreme Court Today*, POLITICO (Oct. 11, 2016), <http://politi.co/2ujXXhl>.

¹⁶⁸ Eric Lipton, *Trump Campaigned Against Lobbyists, but Now They’re on His Transition Team*, THE NEW YORK TIMES (Nov. 11, 2016), <http://nyti.ms/2ufGUwM>.

¹⁶⁹ *Id.*

¹⁷⁰ See, e.g., *NBCUniversal Transaction*, COMCAST (viewed on July 14, 2017), <http://comca.st/2v0DXOy>.

¹⁷¹ *Ajit Pai, FCC Chairman*, FEDERAL COMMUNICATIONS COMMISSION (viewed on July 12, 2017), <http://fcc.us/2tfODXv>.

¹⁷² *Id.*

¹⁷³ Steve Lohr, *Net Neutrality Is Trump’s Next Target, Administration Says*, THE NEW YORK TIMES (March 30, 2017), <http://nyti.ms/2sRe7et>.

¹⁷⁴ Cecilia Kang, *F.C.C. Chairman Pushes Sweeping Changes to Net Neutrality Rules*, THE NEW YORK TIMES (April 26, 2017), <http://nyti.ms/2ujUluZ>.

¹⁷⁵ Cecilia Kang, *Broadband Providers Will Need Permission to Collect Private Data*, THE NEW YORK TIMES (Oct. 27, 2016), <http://nyti.ms/2t54UTC>.

¹⁷⁶ *Id.*

information of the network the consumer hires to deliver that information.”¹⁷⁷ But after telecom companies opposed the new rules, Republicans in Congress voted to overturn them, and Trump signed that measure into law.¹⁷⁸

Blocking Services to the Poor; Refusing to Protect Inmates from Price Gouging

The FCC’s telecom-friendly efforts did not end with net neutrality. A month into Pai’s chairmanship, the FCC stopped nine companies from providing subsidized internet service to the poor through the low-cost federal program that is intended to close the digital divide.¹⁷⁹

The FCC has also refused to defend a key provision of a regulation aimed at capping the rates of in-state phone calls made from prisons. In-state phone calls account for the vast majority of phone calls from inmates, according to advocates, and can cost as much as \$1.50 a minute.¹⁸⁰ Inmates have no choice but to use the service offered as the contracts are negotiated with a single provider and are “awarded on the basis of companies’ willingness to pay the highest commissions to prison systems — not on the basis of lowest rates or best service.”¹⁸¹

In 2015, the FCC instituted rules that capped the amount that telephone companies could charge prisoners for in-state calls. Providers of phone service at prisons sued to block the rule. Shortly after Pai took over as chairman, he announced that he would not defend the provision.¹⁸² In June, D.C. Circuit Court of Appeals struck down the rule.¹⁸³

The court decision has been beneficial to the prison phone companies. One of the companies that originally led the charge against the regulations, Securus Technologies,¹⁸⁴ was recently acquired for close to \$1.5 billion.¹⁸⁵ According to *The Times*, many of the FCC’s actions under Pai have been “buried in the agency’s website and not publicly announced, stunning consumer advocacy groups and telecom analysts.”¹⁸⁶ Telecom giants, meanwhile, have enjoyed direct access to both Trump and Pai.¹⁸⁷

¹⁷⁷ *Id.*

¹⁷⁸ Cecilia Kang, *Congress Moves to Overturn Obama-Era Online Privacy Rules*, THE NEW YORK TIMES (March. 28, 2017), <http://nyti.ms/2uaCszv>.

¹⁷⁹ Brian Fung, *The FCC is Stopping 9 Companies From Providing Federally Subsidized Internet to the Poor*, THE WASHINGTON POST (Feb. 3, 2017), <http://wapo.st/2ufu95i>.

¹⁸⁰ Ann E. Marimow, *FCC Made a Case for Limiting Cost of Prison Phone Calls. Not Anymore*, THE WASHINGTON POST (Feb. 5, 2017), <http://wapo.st/2ufW9FE>.

¹⁸¹ *Id.*

¹⁸² *Id.*

¹⁸³ Harper Neidig, *Court Strikes Down FCC Caps on In-State Prison Phone Rates*, THE HILL (June 13, 2017), <http://bit.ly/2v0rQRs>.

¹⁸⁴ Ann E. Marimow, *FCC Made a Case for Limiting Cost of Prison Phone Calls. Not Anymore*, THE WASHINGTON POST (Feb. 5, 2017), <http://wapo.st/2ufW9FE>.

¹⁸⁵ Greg Roumeliotis, *Platinum Equity Nears Deal To Buy Prison Phone Company Securus -Sources*, BUSINESS INSIDER (May 16, 2017), <http://read.bi/2tOmZTm>.

¹⁸⁶ Cecilia Kang, *Trump’s F.C.C. Pick Quickly Targets Net Neutrality Rules*, THE NEW YORK TIMES (Feb. 2, 2017), <http://nyti.ms/2ufOAif>.

¹⁸⁷ Reuters, *Trump to Meet With Top Executives on Wireless Tech, Drones*, FORTUNE (June 20, 2017), <http://for.tn/2sRFuom>.

Wealthy People: Comforting the Comfortable

In his campaign, Donald Trump promised to significantly reduce taxes on lower- and middle-income Americans, and to ask the wealthy to pay more.¹⁸⁸ He also promised that “there will be no cuts to Social Security, Medicare and Medicaid.”¹⁸⁹ Trump promised that tax cuts for lower- and middle-income earners would be “fully paid for” by eliminating loopholes “available to the very rich,” “corporate loopholes that cater to special interests,” and a one-time windfall from corporations.¹⁹⁰

Trump’s Tax Plan Is a Gift to the Ultra-Wealthy ...

The plan that Trump put forth as a candidate also called for numerous giveaways to the wealthy, rendering his plan a contradiction in terms. Since his election, Trump has cleared up his vision by doubling down on his promises to the wealthy, breaking his promise on Medicaid and abandoning the fantasy that his tax plan would be “fully paid for.”

In April 2017, Trump issued a skeletal one-page tax plan, calling for:

- A 15 percent tax rate on all business income.¹⁹¹ Doing so would provide a massive windfall to wealthy business owners, who currently are taxed primarily at the top individual rate of 39.6 percent.¹⁹² Hedge fund managers would get a big cut, even though candidate Trump accused them of “getting away with murder” for their low taxes.¹⁹³
- Eliminating the estate tax, which is currently levied on estates valued \$5.5 million for individuals and \$11 million for couples. Only the wealthiest fraction of 1 percent of estates are liable for this tax.¹⁹⁴
- Eliminating the alternative minimum tax. This is a tax that was developed to ensure the wealthy could not completely avoid taxation through creative use of tax deductions.

If enacted, the plan would add more than \$5 trillion in federal debt over a decade, according to the nonpartisan Committee for a Responsible Federal Budget.¹⁹⁵ Trump also has endorsed health care

¹⁸⁸ Daniel Polit, *Donald Trump Flip-Flops, Says Wealthy Should Pay More Taxes*, SLATE (May 8, 2016), <http://slate.me/2vcZenr>.

¹⁸⁹ Tweet of Donald J. Trump (May 7, 2015), <http://bit.ly/2tj3lnS>.

¹⁹⁰ *Tax Reform That Will Make America Great Again*, DONALD]TRUMP.COM (undated), <http://bit.ly/2uf1xch>.

¹⁹¹ *2017 Tax Reform for Economic Growth and American Jobs* (undated document released by Trump administration on April 26, 2017), <http://bit.ly/2vcXavt>.

¹⁹² Jeanne Sahadi, *How Trump’s Tax Plan Would Help the Wealthy (And Trump)*, CNN (April 27, 2017), <http://cnnmon.ie/2vdiily>.

¹⁹³ Dan Primack, *Trump Plan Would Lower Taxes on Some Hedge Fund Managers*, AXIOS (April 26, 2017), <http://bit.ly/2tN7A5H>; Max Ehrenfreund, *Trump Said They Were ‘Getting Away With Murder.’ Now They Might Be Getting A Tax Break*, THE WASHINGTON POST (Feb. 8, 2017), <http://wapo.st/2teCbaj>.

¹⁹⁴ Chye-Ching Huang and Chloe Cho *Ten Facts You Should Know About the Federal Estate Tax*, CENTER ON BUDGET AND POLICY PRIORITIES (May 5, 2017), <http://bit.ly/2t3Sawx>.

¹⁹⁵ Maya MacGuineas, *CRFB President: Trump’s Tax Plan Will Add \$5.5 Trillion to the Debt*, TIME (April 27, 2017), <http://ti.me/2uREQc1>.

overhaul bills that would eliminate taxes on the wealthy and slash Medicaid, the health care plan for vulnerable people that Trump promised not to cut.¹⁹⁶

... and a Gift to Trump and His Family

The First Family would be first in line to benefit from Trump's proposals. If Trump possesses a net worth anywhere near as high as he claims, his proposal to eliminate the estate tax would benefit his heirs greatly. Trump's proposal to eliminate the alternative minimum tax would vastly cut his own tax bill. The leaked excerpt of Trump's 2005 tax return, one of only two Trump tax returns from recent decades that have been made public, indicates that about 80 percent of the taxes he paid that year were due to the alternative minimum tax.¹⁹⁷

Trump's proposal to lower the tax on "pass-through" business income would result in him being taxed at just 15 percent instead of the individual rate, which peaks at 39.6 percent.¹⁹⁸

Trump's Plans Would Afflict the Poor and Deprive the Country as a Whole

While providing enormous financial gains to people who do not remotely need them, Trump's plans would gut services, such as Medicaid, upon which lower-income people depend. The drastic reductions to Medicaid benefits that Trump has endorsed also would harm our health care system by driving up the amount of unreimbursed care, the cost of which is often absorbed by local hospitals, harming their finances and their ability to serve their communities. Reducing federal revenue also would exacerbate a shortage in resources to invest in programs that would benefit everyone, such as repairing our crumbling infrastructure.

Trump's proposals also would exacerbate the gulf between rich and poor, hastening a transition toward a two-tiered society. They are the exact opposite of what candidate Trump promised.

¹⁹⁶ Robert Pear and Thomas Kaplan, *Senate Republicans Unveil New Health Bill, but Divisions Remain*, THE NEW YORK TIMES (July 13, 2017); *The Senate's Unaffordable Care Act*, THE NEW YORK TIMES (June 23, 2017), <http://nyti.ms/2sYQQ1Z>.

¹⁹⁷ Ian Salisbury, *This Controversial Tax on High Earners Is Key to Understanding Trump's Leaked 2005 Returns*, MONEY (March 14, 2017), <http://ti.me/2uRRuYI>.

¹⁹⁸ Jeanne Sahadi, *How Trump's Tax Plan Would Help the Wealthy (And Trump)*, CNN (April 27, 2017), <http://cnnmon.ie/2vdiily>.

Conclusion

Since Donald Trump's presidential campaign ended, consumer-friendly proposals such as negotiating prescription drug prices or restoring a firewall between commercial and investment banks, have receded from view. Into their place has sprung a wish list of favors long-sought by industries to boost profits, often at the expense of the environment or the vast majority of Trump voters.

Given the scandal-plagued Trump administration's failure to advance its priorities in Congress, it is tempting to conclude that Trump is not accomplishing anything of significance.

However, it's clear that Trump and his administration are working to unravel important public protections, often at the behest of industry. The public is losing out.