HIGHLIGHTS OF TRUMP ADMINISTRATION POLICIES RPC ANALYSIS





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U.S.-Colombia Deportation Agreement

Recap of Trump Administration Actions:

Following the refusal to accept two repatriation flights by President Gustavo Petro of Colombia, President Trump <u>announced</u> retaliatory measures, including:

- Emergency 25% tariffs on all goods coming into the United States. In one week, the 25% tariffs will be raised to 50%.
- A Travel Ban and immediate Visa Revocations on the Colombian Government Officials, and all Allies and Supporters.
- Visa Sanctions on all Party Members, Family Members, and Supporters of the Colombian Government.
- Enhanced Customs and Border Protection Inspections of all Colombian Nationals and Cargo on national security grounds.
- International Emergency Economic Powers Act (IEEPA) Treasury, Banking and Financial Sanctions to be fully imposed.

In enforcing this policy, Secretary of State Rubio immediately <u>ordered</u> a suspension of visa issuance at the U.S. Embassy Bogota consular section, and authorized travel sanctions on individuals and their families, who were responsible for the interference of U.S. repatriation flight operations. The State Department said in its announcement, "(m)easures will continue until Colombia meets its obligations to accept the return of its own citizens. America will not back down when it comes to defending its national security interests."

Although Colombia's President <u>announced</u> a 25% tariff on U.S. imports, shortly thereafter Colombia's Foreign Minister <u>announced</u> that they had accepted "all of President Trump's terms," including the "unrestricted acceptance" of immigrants who entered the U.S. illegally.

Current State of Play:

The White House <u>announced</u>, the "Government of Colombia has agreed to all of President Trump's terms, including the unrestricted acceptance of all illegal aliens from Colombia returned from the United States, including on U.S. military aircraft, without limitation or delay." Based on this agreement, the fully drafted IEEPA tariffs and sanctions will be held in reserve, and not signed, unless Colombia fails to honor this agreement.

Background:

- Through this policy, President Trump made it clear that it is a central national security interest of the United States for countries to accept the return of their own citizens who are in the U.S. illegally.
- Speaker Mike Johnson has <u>announced</u> that Congress is prepared to pass new sanctions and other measures against those who do not fully cooperate or follow through on requirements to accept their citizens who are in the U.S. illegally.
- The Colombia Trade Agreement (COTPA) went into <u>effect</u> on May 15, 2012. Most Colombian goods currently enter the United States free of duty and the merchandise processing fee (MPF), and virtually all will enter free by the time the COTPA is fully implemented in 2028.
- <u>U.S. goods and services trade with Colombia</u> totaled an estimated \$53.5 billion in 2022. Exports were \$28.7 billion; imports were \$24.8 billion. The U.S. goods and services trade surplus with Colombia was \$3.9 billion in 2022.
- According to the Department of Homeland Security's <u>most recent estimate</u>, there are 240,000 illegal aliens from Colombia in the United States.

Existing Statutory Authority:

Congress has given multiple authorities to the President to impose economic sanctions, tariffs and visa bans in response to a national security threat:

- The <u>International Emergency Economic Powers Act of 1976 gives</u> the President the authority to regulate international commerce, block assets, confiscate property in response to an "unusual and extraordinary threat... to the national security, foreign policy, or economy of the United States."
- <u>Section 232 of the Trade Expansion Act of 1962 gives</u> the President broad legal authority to impose tariffs on goods in the national security interests of the United States.
- <u>Section 212(a)(3)(C) of the Immigration and Nationality Act gives</u> the Secretary of State the authority to prohibit the entry of aliens which "would have potentially serious adverse foreign policy consequences for the United States."



Remain in Mexico/Migrant Protection Protocols (MPP)

Administration Policy:

President Trump signed the Securing Our Borders Executive Order (E.O.) yesterday. Included in the E.O. are instructions to the Attorney General, Secretary of Homeland Security, and Secretary of State to take actions to resume the Migrant Protection Protocols (MPP), commonly referred to as the "Remain in Mexico" policy. MPP requires that individuals who illegally entered the U.S. along the southern border and went on to make an asylum claim be returned to Mexico while their claim is processed.

MPP removes a major <u>incentive</u> for illegal immigration by eliminating the ability for illegal immigrants with fraudulent asylum claims to be released into the U.S. interior without accountability or monitoring.

The statutory authority for this policy is rooted in <u>Section 235(b)(2)(C) of the Immigration and</u> <u>Nationality Act (INA)</u>, which allows for the removal of aliens who entered the U.S. by land to be returned to the contiguous country from which they entered.

- President Trump first <u>instated</u> MPP in 2019 in response to increases in illegal border crossings and the emergence massive <u>caravans</u> arriving at the U.S.-Mexico border.
- On the importance of MPP, Former Acting Homeland Security Secretary Chad Wolf has previously <u>stated</u>, "The Migrant Protection Protocols (MPP) were one of the most effective policies in solving the 2019 border crisis, and reducing the unprecedented flood of fraudulent asylum claims being made at the southern border."
- The Biden administration first attempted to formally <u>terminate</u> the MPP program on June 1, 2021, which triggered a lengthy legal battle, ultimately the Supreme Court <u>allowed</u> for the termination of the program in a 5-4 decision in Biden v. Texas.
- According to a <u>Department of Homeland Security (DHS)</u> assessment of the <u>MPP</u> <u>program</u>, remain in Mexico is highly effective in reducing illegal border crossings:
 - Reduced illegal border crossings by 64% through September 2019
 - Reduced number of illegal immigrants from Northern Triangle countries by 80% through September 2019
- In a <u>review</u> of completed MPP cases from January 2019 to December 2020 over 32,000 aliens received an order of removal, while only 650 were found to have legitimate asylum claims.



Ending Biden Parole Abuse/CBP One App

Administration Policy:

This week President Trump issued an Executive Order (EO) titled <u>Securing Our Borders</u>. Section 7 of the EO terminates the Biden administration's categorical parole programs and prohibits the CBP One app for being used to parole or facilitate the entry of aliens who are otherwise inadmissible to the United States. Specifically, this section terminates a <u>categorical</u> <u>parole program</u> called "Processes for Cubans, Haitians, Nicaraguans, and Venezuelans" (CHNV), which allows illegal aliens to be flown into the United States as long as they have "(a)ny U.S.-based individual with lawful status," to support them.

Section 212(d)(5)(A) of the Immigration and Nationality Act provides authority for the parole of individuals on a *case-by-case basis* for urgent humanitarian reasons or significant public benefit. It also establishes that parole is temporary and should not be treated as admission for an alien into the United States.

- In response to criticism of the Biden Border crisis, the Biden administration <u>abused</u> the statutory purpose of their parole authority to admit hundreds of thousands of aliens who would otherwise be inadmissible through categorical parole and by allowing the CBP One app to facilitate the parole process.
- Under former President Biden, use of the CBP One app was <u>expanded</u> to enable appointments at U.S. ports of entry for anyone located in Mexico and to request entry under the CHNV program.
 - According to the <u>America First Policy Institute</u> (AFPI), this increased the number of illegal immigrants encountered at Ports of Entry by more than 1,250 percent over the course of the Biden administration.
- Last Congress, the House Homeland Security Committee <u>revealed</u> that in 2023, 320,000 otherwise-inadmissible aliens were flown into the U.S. through parole programs and the CBP one app and that roughly 96 percent of them were released into the U.S. with a notice to appear in court without further monitoring.
- The DHS Office of the Inspector General (OIG) released a <u>report</u> on August 19, 2024 which found that the ability to verify an applicant's information on the CBP One app was subject to fraud and exploitation.
- On November 20, 2024, the House Judiciary Committee released a <u>report</u> detailing fraud in the CHNV program, including the parole of 80,000 aliens not located in the CHNV countries and the use of supporters of parolees who submitted fraudulent documents or stated that their income to support the parolee came from criminal activity.



Ending Taxpayer Subsidization of Open Borders

Administration Policy:

President Trump issued an executive order (EO) titled <u>Ending Taxpayer Subsidization of</u> <u>Open Borders</u>, to prevent tax-payer funded benefits from going to illegal immigrants. Specifically, this EO requires federal agencies to examine all federally funded programs, which may currently allow illegal aliens to obtain public benefits – and to take necessary action to prevent illegal aliens from receiving these benefits in the future.

It also requires federal agencies to prevent the subsidization or promotion of illegal immigration through "sanctuary" policies. Additionally, this EO requires the Director of the Office of Management and Budget (OMB) and the Administrator of the United States DOGE Service to coordinate with the Assistant to the President for Domestic Policy to identify all other sources of federal funding for illegal aliens and recommend enhanced eligibility requirements to the agencies.

The statuary authority for this EO comes from <u>Public Law 104-193</u> the *Personal Responsibility and Work Opportunity Reconciliation* Act of 1996 (PRWORA), which states it is the policy of the United States that "aliens within the Nation's borders not depend on public resources to meet their needs," and that "it is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits."

- According to a 2024 <u>report</u> by the House Budget Committee, the total fiscal burden of illegal aliens on U.S. taxpayers in 2023 was over \$150 billion.
- The Biden administration <u>abused loopholes</u> in the PRWORA to provide "status" for illegal aliens, allowing them to qualify for federal welfare programs.
 - Prior to former President Biden taking office, the <u>Congressional Budget</u> <u>Office (CBO) estimated</u> that net immigration into the U.S. would be 200,000 individuals per year. The CBO now estimates that net immigration from 2021-2026 will exceed that rate by 8.7 million individuals.
 - CBO also estimates that outlays for benefits provided to this "surge population" will total \$177 billion.
- A fact sheet from the White House can be found <u>here.</u>



Defending Women from Gender Ideology Extremism

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Defending Women from Gender Ideology</u> <u>Extremism and Restoring Biological Truth to the Federal Government</u>, to protect women's rights and return to a biological definition of sex. Specifically, Section 2 defines sex as "an individual's immutable biological classification as either male or female," and defines women/woman and girls/girl as "adult and juvenile females, respectively," based on the biological definition of female.

This EO established that men and women are biologically distinct, and protects "sex-based rights, protections, opportunities, and accommodations" for both sexes. It also requires that:

- All agencies and federal employees to use the term "sex" and not "gender" regarding sex-based distinctions.
- No federal funds be spent to promote "gender ideology."
- Agencies ensure intimate single-sex spaces are designated by sex not identity.
- No males will be housed in women's prisons or detention centers.
- Agencies remove all "policies, regulations, forms, communications, or other internal and external messages" that promote gender ideology.

- Throughout his presidency, Biden issued EOs and guidance promoting gender ideology, this EO revokes several of these policies and reinstates single sex protections.
 - Section 7 (b) rescinds EOs <u>13988</u>, <u>14004</u>, <u>14020</u>, <u>14021</u>, and <u>14075</u>.
- In 2021, Biden issued <u>EO 14004</u> allowing transgender individuals to serve in the military, Section 7(b) of President Trump's EO revokes this executive order but does not explicitly ban transgender individuals from serving.
 - In 2018, the Trump administration released a <u>memo</u> announcing "transgender persons with a history or diagnosis of gender dysphoria — individuals who the policies state may require substantial medical treatment, including medications and surgery," would be disqualified from serving in the military.
- In 2021, Biden issued <u>EO 14020</u> establishing the White House Gender Policy Council, goals of which included "promote sexual and reproductive health and rights," and "advance equal rights and opportunities regardless of...gender identity."
 - Section 7(b) of President Trump's EO dissolves this council
- This executive order specifically addresses privacy and safety concerns in restrooms and other intimate spaces in Section 4, stating that "(a)gencies shall...take appropriate action to ensure that intimate spaces designated for women, girls, or females are designated by sex and not identity."



Protecting Children from Chemical and Surgical Mutilation

Administration Policy:

On January 28th, 2025, President Trump issued an Executive Order (EO) titled <u>Protecting</u> <u>Children from Chemical and Surgical Mutilation</u>. This order establishes that it is the official policy of the United States to not "fund, sponsor, assist, or support, the so-called "transition" of a child from one sex to the other" and that all laws to prohibit these procedures will be rigorously enforced.

Specifically, Section 2 defines the terms:

- "child" or "children" as an individual under 19 years of age.
- "pediatric" as relating to the medical care or a child.
- "chemical and surgical mutilation" as the use of puberty blockers, and surgical procedures that change an individual's appearance from one sex to the other, or procedures to alter or remove an individual's sexual organs.

To ensure children are protected from these dangerous procedures, this EO also requires:

- Agencies to rescind or amend all policies the rely on the World Professional Association for Transgender Health (WPATH) guidance.
- Agencies to take immediate steps to ensure medical institutions that receive research or education grants, stop providing puberty blockers or gender related surgeries to minors.
- The Secretary of Health and Human Services (HHS) to take all appropriate actions to end the use of puberty blockers or gender related surgeries to minors in federal programs such as Medicare, Medicaid, mandatory drug use programs, etc.
- The Secretary of Defense to exclude puberty blockers or gender related surgeries to minors from TRICARE coverage.
- Federal Employee Health Benefits (FEHB) and Postal Health Benefits (PSHB) to exclude coverage for puberty blockers or gender-related surgeries to minors.

- Currently, <u>26 states</u> have enacted laws limiting the use of hormones, puberty blockers, or related surgical procedures for minors.
- In response to a 2023 <u>Tennessee law</u> prohibiting this kind of care for minors, the Biden administration sought an injunction to prevent this law from going into effect.
- Oral arguments for this this case, <u>United States vs. Skrmetti</u>, were heard by the U.S. Supreme Court on December 24, 2024, with a decision pending.



Expanding Educational Freedom and Opportunity for Families

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Expanding Educational Freedom and</u> <u>Opportunity for Families</u> to "improve the education, well-being, and future success" of America's children by expanding parents' ability to choose the best educational options for their children. Specifically, this EO requires the Secretary of Education to issue guidance for states on how to access federal funds to support educational choice incentives, and to prioritize educational freedom in grant programs.

This EO also requires:

- The Secretary of Health and Human Services (HHS) to issue guidance for states receiving the Child Care and Development Block Grant (CCDBG) to expand educational choice for low-income families, including access to private and faith-based education.
- The Secretary of Defense to review options for military families to use Department of Defense (DOD) funds to attend private, faith-based, and public charter schools.
- The Secretary of the Interior to review how to support educational choice for students eligible to attend Bureau of Indian Education (BIE) schools.

- In 2017, the <u>Tax Cuts and Jobs Act</u> was signed into law and allowed parents to use 529 education savings accounts to cover K-12 tuition costs at the school of their choice.
- Former President Biden issued a <u>proposed rule</u> in 2022 which would have allowed schools to hide a child's "gender identity" or "pronouns" from their parents.
 - In 2023, the House passed H.R. 5 the *Parents Bill of Rights* Act which established that parents have the right to know what their children are being taught in school.
 - This EO establishes that it is the policy of the Administration to "support parents in choosing and directing the upbringing and education of their children."
- In 2024, the Ways and Means Committee marked up H.R. 8915 the *Education and Workforce Freedom* Act, which included the *Student Empowerment Act*, to expand allowable uses for 529 savings plans and give families the ability to choose the best education option for their children.



Keeping Men Out of Women's Sports

Administration Policy:

President Trump issued an executive order (EO) titled <u>Keeping Men out of Women's Sports</u> which would rescind funds from educational programs that allow men to participate in women's sports or that deprive women and girls of fair athletic opportunities.

This EO requires the Assistant to the President for Domestic Policy to convene representatives from major athletic organizations and governing bodies to promote fair and safe policies for female athletes, as well as State Attorney Generals to identify best practices for equal athletic opportunities for women and girls.

This EO also requires the Secretary of State to promote international rules and norms which protect female sports, and to use all measure available to ensure the International Olympic Committee (IOC) promotes fairness and safety of female athletes. Specifically, it states that eligibility for participation in women's sports should be "according to sex and not gender identity or testosterone reduction."

- In 2024, the Biden administration issued a <u>Title IX rule</u> which redefined sex to include "gender identity," allowing biological males to participate in female athletics. Allowing boys and men to participate in girls' and women's sports is dangerous and unfair for those who will lose out on opportunities.
 - According to a <u>study by World Rugby</u>, when a female player is tackled by someone who has gone through male puberty there is a 20-30% greater risk of injury.
 - In North Carolina, a <u>female volleyball player suffered from a serious head injury</u> after a ball was spiked on her head by a transgender player.
 - The House passed <u>H.J.Res. 165</u> condemning the Biden rule in 2024.
- In 2024, more than a dozen athletes <u>filed a lawsuit</u> against the NCAA for violating Title IX, the primary focus of the lawsuit was the NCAA allowing a transgender swimmer to participate in the national championships in 2022.
- In response to this EO, the NCAA <u>announced</u> a new policy restricting the women's category to student-athletes assigned female at birth.



Eliminating Gender Ideology in the Military

Administration Actions:

President Trump has issued an Executive Order (EO) titled <u>Prioritizing Military Excellence and</u> <u>Readiness</u> which makes it the policy of the United States "to establish high standards for troop readiness..." which it says is inconsistent with the medical, surgical, and mental health constraints on individuals with gender dysphoria. The EO also finds that shifting pronoun usage, or the use of pronouns that inaccurately reflect an individual's sex, are inconsistent with the high standards required for service members.

The EO requires medical standards for military service appointment, enlistment, or induction to be updated to reflect this new policy within 60 days. It also requires the Secretary of Defense to promptly issue directives for the Department of Defense (DoD) to end "invented and identification-based pronoun usage."

In addition, the order would prohibit the Armed Forces from allowing males to use sleeping, changing, or bathing facilities designed for females, and vice-versa. The Secretary of Homeland Security would be required to implement the same policies for the Coast Guard.

The EO would also revoke <u>EO 14004 of January 25, 2021 (Enabling All Qualified Americans</u> <u>To Serve Their Country in Uniform)</u>, which allowed transgender individuals to serve in the military.

This EO clarifies that gender ideology has the meaning given to that term in Section 2(f) of the <u>Executive Order of January 20, 2025</u>, (Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government).

- The first Trump administration issued a <u>Presidential Memorandum of March 23, 2018</u> (Military Service by Transgender Individuals) which stated "transgender persons with a history or diagnosis of gender dysphoria — individuals who the policies state may require substantial medical treatment, including medications and surgery," would be disqualified from serving in the military.
 - This was the second memorandum issued by the Trump administration after a 2017 memorandum was <u>challenged in the courts</u>.
 - The Biden administration revoked this memorandum with EO 14004 allowing transgender individuals to serve in the military.
- The National Institute of Health <u>estimates</u> there are up to 8000 transgender individuals who serve in the military on active duty.



Eliminating DEI at the Pentagon

Administration Actions:

President Trump issued an Executive Order (EO) titled <u>Restoring America's Fighting Force</u> which requires the Secretary of Defense to abolish every DEI office within the Department of Defense (DoD) and for the Secretary of Homeland Security to eliminate every DEI office within the Coast Guard. This would include any office or initiative which promotes a race- or sex-based preference which "subverts meritocracy, perpetuates unconstitutional discrimination, and promotes divisive concepts or gender ideology."

The EO would also require the Secretary of Defense to conduct an internal review within 90 days that documents actions taken in pursuit of DEI initiatives, including all instances of race and sex discrimination and activities designed to promote a race- or sex-based preferences system.

In addition, the EO would prohibit the Department of Defense, and the Armed Forces, from allowing any educational institution which they operate, to promote or advance "un-American, divisive, discriminatory, radical, extremist, or irrational theories," including:

- Divisive concepts, race or sex stereotyping, and race or sex scapegoating, <u>as defined</u> in EO 13950.
- That America's founding documents are racist or sexist.
- Gender ideology, which this EO clarifies has the meaning given to that term in Section 2(f) of the <u>Executive Order of January 20, 2025</u>, (Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government).

- The Biden administration pushed DEI at the Department of Defense, promoting radical and divisive ideology rather than a merit-based system which hurt military recruitment and morale.
 - In April 2022, the Department of Defense issued an <u>Equity Action Plan</u> on promoting DEI throughout the Department, noting the Biden administration's unprecedented efforts in promoting DEI.
 - Biden DEI policies led to the <u>lowest recruiting efforts</u> for the military since 1940 with a 41,000 troop-shortfall in 2023.



Reinstating Servicemembers Discharged Due to Vaccine Mandates

Administration Actions:

President Trump has issued an Executive Order (EO) titled <u>Reinstating Service Members</u> <u>Discharged under the Military's COVID-19 Vaccine Mandate</u> which requires the Secretary of Defense or Secretary of Homeland Security, to reinstate all service members (active and reserve) who were discharged solely for refusing to receive the COVID-19 vaccine and request to be reinstated.

This EO would enable those service members reinstated to revert to their former rank and receive full back pay, benefits, bonus payments, and compensation. The EO would also allow service members, who provide a written and sworn attestation that they voluntarily left the service rather than receive the COVID-19 vaccine under the vaccine mandate, to return to service with no impact on their service status, rank, or pay.

- On August 24, 2021, then Secretary of Defense Lloyd Austin <u>mandated</u> that all service members receive the COVID-19 vaccine.
 - More than <u>8400 service members were discharged</u> from the military for a refusal to receive the COVID-19 vaccine.
 - The mandate was later <u>rescinded</u> on January 10th, 2023 as required by Section 525 of the FY2023 National Defense Authorization Act.
- Following the rescission of the mandate, the Department of Defense <u>announced</u> that no individuals serving in the Armed Forces would be separated solely on the basis of their refusal to receive COVID-19 vaccination if they had sought an accommodation on religious, administrative, or medical grounds.
 - In addition, the Secretaries of the Military Departments had <u>updated</u> the record of such individuals to remove any adverse actions solely associated with the denials of such requests, including letters of reprimand.
 - However, the reinstatement memorandum did not include others who refused the vaccine.



Panama Canal

Administration Actions:

It was announced that Secretary of State Marco Rubio <u>will</u> visit Panama as part of his first <u>trip</u> abroad since being confirmed by the Senate. <u>President Trump has stated that the Panama Canal is</u> <u>"vital" to America's national security, noting</u> "We didn't give it to China, we gave it to Panama and we're taking it back."</u>

- The Panama Canal was built by the U.S. between 1904 and 1914. The canal was leased to the U.S for nearly 75 years under the Hay–Bunau-Varilla Treaty of 1903 which <u>established</u> the Panama Canal Zone and the subsequent construction of the Panama Canal.
 - Under this treaty, the U.S. received rights to the canal zone in perpetuity, and Panama received a payment of up to \$10 million (\$358 million in 2025 dollars) and an annual rental payment of \$250,000 (\$8.9 million in 2025 dollars).
 - A staggering 25,000 workers lost their lives building the canal
 - The U.S. Panama Canal Zone had its own government, court system, schools, police force, and fire department but was <u>not sovereign U.S. territory</u> under the agreement which instead gave the U.S. rights over usage and control of the zone.
- In 1977, President Jimmy Carter signed the <u>Treaty Concerning the Permanent Neutrality and</u> <u>Operation of the Panama Canal</u> and the <u>Panama Canal Treaty</u> to return the canal to Panama under the condition that it would be free for any nation to use.
 - These treaties gave the U.S. the permanent explicit right to intervene to keep the canal open in the event of any threat that may interfere with the canal's continued neutral service to ships from all nations.
 - <u>President Trump has stated that the treaties were "a bad part of the Carter legacy"</u> <u>and a "disgrace."</u>
- The Panama Canal currently contributes to 7.7% of Panama's GDP.
 - About <u>5% of global maritime traffic</u> passes through the Panama Canal, saving 6,835 miles off a journey that would otherwise require a long and dangerous trip skirting the southern tip of South America.
 - The United States is Panama's <u>largest</u> provider of foreign direct investment—\$3.8 billion annually.
- Chinese companies now operate ports at both ends of the canal.
 - Chinese construction companies in 2018 <u>funded</u> a \$1.4 billion bridge project spanning the canal.

- China Construction Americas has also <u>completed</u> the construction of the Amador Convention Center located on the Pacific side of the canal which was funded by loans from the Chinese government.
- China has invested in energy-related facilities along the canal.
- China has also <u>used</u> water management efforts to gain a foothold in the Panama Canal Zone, including announcing a plan in September 2020 to establish a water management system which would impact local access to water for the next 50 years.
- Panama has raised transit fees significantly for ships traveling through the canal. In part, these fee increases are a response to <u>droughts</u> in 2023 and early 2024, which restricted the number of ships that could transit the canal.
 - The Panama Canal Authority also <u>increased</u> transit reservation fees for 2025 from \$41,000 to \$50,000 for Panamax lock transits for "Super" category vessels, including MR tankers. Neopanamax lock transit reservation fees will climb from \$80,000 to \$100,000.
 - <u>President-elect Trump has stated that if Panama does not reduce its "exorbitant"</u> <u>transit fees, "then we will demand that the Panama Canal be returned to the United</u> <u>States.</u>

Enforcing the Panama Canal Treaty

- <u>President Trump has stated his intent to vigorously enforce the provisions of the Panama</u> <u>Canal treaties, noting the canal "was given to Panama and to the people of Panama, but it</u> <u>has provisions — you've got to treat us fairly. And they haven't treated us fairly."</u>
- Panama may be breaching select provisions of these treaties.
 - The treaties <u>require</u> that transit fees be "just, reasonable, equitable, and consistent with international law" and that Panama maintain the canal's permanent neutrality.
 - The high fees charged by Panama, as well as Panama's openness to investment by the Chinese Communist Party in the canal zone, are both likely in breach of the terms of the treaties.
 - Greg Curley of the Atlantic Council <u>notes</u> China's increasing role on the island breaches the neutrality clauses so significantly that "the United States may be justified in taking preemptive action."
- Congress has given multiple authorities to the President to impose economic sanctions, tariffs, and visa bans in response to a national security threat.
 - The <u>International Emergency Economic Powers Act of 1976 gives</u> the President the authority to regulate international commerce, block assets, confiscate property in response to an "unusual and extraordinary threat... to the national security, foreign policy, or economy of the United States."
 - <u>Section 232 of the Trade Expansion Act of 1962 gives</u> the President broad legal authority to impose tariffs on goods in the national security interests of the United States.



America First Foreign Policy Wins

In just one month in office, the Trump administration has bolstered U.S. influence throughout the Western Hemisphere, countered Chinese Communist Party (CCP) malign efforts, secured the release of American hostages, and reached major agreements to help secure America's borders.

Protecting Our Borders and Addressing the Fentanyl Crisis

- *Colombia* After Colombia refused two repatriation flights, President Trump threatened retaliatory measures, including tariffs and visa bans. <u>Colombia</u> then agreed to accept all the President's terms, including accepting flights of deported illegal aliens.
- *Canada and Mexico* Canada and Mexico both announced unprecedented border measures in response to proposed tariffs by President Trump. In response, President Trump delayed tariff implementation by 30 days.
 - Canadian Prime Minister Justin Trudeau <u>announced</u> that Canada would implement a \$1.3 billion border plan — reinforcing the border with new choppers, technology and personnel, enhanced coordination with our American partners, and increased resources to stop the flow of fentanyl.
 - Canada also:
 - <u>appointed</u> a Fentanyl Czar.
 - pledged to designate cartels as terrorist organization.
 - agreed to a Canada-U.S. Joint Strike Force to combat organized crime, fentanyl, and money laundering.
 - issued a new intelligence directive on organized crime and fentanyl which the United States will be backing with \$200 million.
 - Mexico <u>agreed</u> to reinforce its northern border with 10,000 National Guard members to stem the flow of illegal migration and drugs. These troops have begun being <u>deployed</u> with at least 1,650 troops expected to be sent to Ciudad Juárez, and 1,949 troops expected to be sent to Tijuana.

Countering Chinese Influence in Central America

• After a visit by Secretary Rubio, Panama's José Raúl Mulino <u>announced</u> that his country would not renew its agreement with China's Belt and Road Initiative.

Bringing Americans Home

• President Trump has ensured the release of at least <u>eleven</u> Americans since he took office, including six American detainees from <u>Venezuela</u>, <u>Marc Fogel</u> from Russia, and an American citizen in <u>Belarus</u>.



Maximum Pressure Policy on Iran

Administration Policy:

President Trump issued a <u>National Security Presidential Memorandum</u> implementing a policy of maximum pressure sanctions on Iran.

The Secretary of the Treasury is responsible for imposing and enforcing sanctions on Iran, reviewing all licenses that provide sanctions relief to Iran or its terrorist proxies, and maintaining countermeasures against Iran at the <u>Financial Action Task Force</u> (FATF).

The Secretary of State is required to rescind all waivers that grant Iran economic relief and implement sanctions to drive Iran's export of oil to zero. The memorandum also requires the Secretary of State to leverage diplomatic channels to isolate Iran in international organizations, including the denial of freedom of movement to the Iranian Revolutionary Guard Corps (IRGC).

The memorandum requires the U.S. Ambassador to the United Nations to work with allies to complete the <u>snapback</u> of international sanctions and restrictions on Iran and hold Iran accountable for its breach of the <u>Nuclear Non-Proliferation Treaty</u>.

The memorandum requires the Attorney General (AG) to investigate and prosecute Iranian sponsored financial networks or front groups inside the United States. Additionally, the AG must indict leaders of Iranian backed terrorist organizations which have killed Americans and help American victims of terrorism collect on legal judgments.

- President Trump's successful maximum pressure campaign on Iran in the first term led to real results including <u>shrinking the Iranian defense budget by 25%</u> and putting the Iranian economy in shambles.
- President Biden's administration refused to enforce sanctions on Iran, which enabled Iran's oil exports particularly to China—to surge, with revenues swelling from <u>\$16 billion in 2020 to \$53 billion by 2023</u>.
 - These concessions failed to induce Iran to negotiate in good faith.
- Only <u>\$4 billion</u> in accessible foreign exchange reserves remained in Iran's possession at the end of 2020, down from over \$120 billion it held prior to President Trump's decision to exit the Iran deal.
 - Under the Biden administration, Iran's currency reserves <u>grew</u> to over \$21 billion at the end of 2023. The Energy Information Agency <u>reported</u> that Iran sold \$144 billion in the first three years of the Biden administration, \$100 billion more than what Tehran exported in the last two years of the Trump administration when the oil sanctions were in effect.
- On February 25th, the State Department and Treasury Department <u>took</u> the first actions pursuant to President Trump's memorandum.
 - The Secretary of State <u>designated</u> 16 entities and vessels for their involvement in Iran's petroleum and petrochemical industry.
 - The Department of State and the Department of the Treasury's Office of Foreign Assets Control (OFAC) concurrently sanctioned a combined total of 22 persons and identified 13 vessels as blocked property, across multiple jurisdictions, for their involvement in Iran's oil industry.
- President Obama's failed Iran nuclear agreement gave Iran <u>over \$150 billion</u> in sanctions relief while permitting Iran to legally acquire a nuclear weapon within a decade.



Withdrawal from the World Health Organization (WHO)

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Withdrawing the United States from the</u> <u>World Health Organization (WHO)</u>. This EO notices the US' withdrawal from the WHO.

Additionally, the EO directs the Assistant to the President for National Security Affairs to establish necessary mechanisms to safeguard public health and fortify biosecurity. The EO instructs the Secretary of State and Director of Office and Budget Management (OMB) to:

- pause any future transfers of US funds or resources to the WHO,
- recall and reassign any US Government personnel or contractors working with the WHO,
- and identify credible and transparent US and international partners to assume necessary global and public health activities previously undertaken by the WHO.

Background:

- On April 14, 2020, President Trump <u>announced</u> the suspension of US contributions to the WHO pending an investigation of the organization's mismanagement of the COVID-19 pandemic. President Trump also cited the vast difference in funding coming from the US in comparison to China.
- On May 18, 2020, President Trump sent a <u>letter</u> to the Director-General of the WHO, explaining the suspension of US contributions to the WHO, listing the organization's failures regarding the COVID-19 pandemic and their lack of independence from malign Chinese Communist Party (CCP) influence.
- On July 6, 2020, the Trump administration <u>notified</u> Congress and the United Nations (UN) that the US would be formally withdrawing from the WHO.
- This withdrawal was set to become effective <u>July 6, 2021</u>, but President Biden reversed this action in a <u>letter</u>, notifying the UN that the US would remain a member of the WHO.
- The US is currently the top donor to the WHO, contributing close to <u>\$1.3B from 2022-</u> 2023.
- Despite this, the WHO continues to seem unduly influenced by China.
 - The Director-General for the WHO made his first international trip in 2017 to China, with the WHO describing the goal as a <u>"New vision and strengthened partnership for WHO and China."</u>

Last Congress, former Chairman Wenstrup of the Select Subcommittee on the Coronavirus Pandemic <u>stated</u>, "We saw the WHO deny that COVID-19 was spread via human-to-human transmission, based entirely on the word of the Chinese government."



Designation of the Houthis as a Foreign Terrorist Organization (FTO)

Administration Policy:

President Trump issued an Executive Order (EO) <u>designating</u> Ansar Allah, or the Houthis, as a Foreign Terrorist Organization within 30 days. The EO also requires that the Secretary of State and Administrator of USAID jointly conduct a review of the United Nations partners, nongovernmental organizations, and contractors through which USAID works in Yemen who may have made payments to the Houthis – and terminate these programs.

It would also make it the policy of the United States to cooperate with its regional partners to eliminate the Houthis' capabilities and operations, deprive it of resources, and thereby end its attacks on U.S. personnel and civilians, U.S. partners and allies, and maritime shipping in the Red Sea.

- The Houthis are an Iran-backed militia in Yemen founded in 1994 and led by Abdul Malik Houthi. They have engaged in a decades-long insurgency against the Yemeni government.
 - Since 2014, Houthis have taken control over vast parts of Yemen including the capital Sanaa.
 - In 2015, Saudi Arabia led a military intervention against the Houthis who have launched numerous direct ballistic missile and drone attacks against Saudi Arabia.
- <u>The Antiterrorism and Effective Death Penalty Act of 1996</u> created the Foreign Terrorist Organization list which makes it a federal crime to provide material support to such organizations.
- The Specially Designated Global Terrorists list is a Treasury Department <u>sanctions list</u> which prohibits significant transactions with the groups on that list.
- President Trump designated the Houthis as an FTO and as Specially Designated Global Terrorists in January 2021, both designations were quickly reversed by former President Biden in February 2021.
 - As a result of President Biden's weak policies, the Houthis have fired at U.S. Navy warships dozens of times, launched numerous attacks on civilian infrastructure in partner nations, and attacked commercial vessels transiting Bab al-Mandeb more than 100 times, a strait through which <u>12% of global trade flows</u>, including 30% of global container traffic.
 - The Houthis have launched numerous missile and drone attacks against Israel following the October 7, 2023 assault on Israel by Hamas.



Realigning and Reevaluating U.S. Foreign Assistance EO

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Revaluating and Realigning</u> <u>United States Foreign Aid</u>, requiring all department and agency heads overseeing **foreign development assistance programs** to immediately pause new obligations and disbursements of development assistance funds for 90 days pending reviews of such programs.

This EO requires the Secretary of State to issue new guidelines for each agency for the review of such assistance programs. It also requires department and agency heads, in consultation with the Director of the Office of Management and Budget (OMB), to determine whether to continue, modify, or cease each foreign assistance program based upon the review recommendations, with the concurrence of the Secretary of State.

- The United States is the largest foreign aid donor in the world, accounting for nearly a <u>quarter</u> of total official development assistance from major donor governments.
- The majority of U.S. development assistance is provided through the U.S. Agency for International Development (USAID) and the Department of State.
 - Other agencies which provide development funding include the Millenium Challenge Corporation (MCC), the Department of Energy, Department of Agriculture, and Department of Labor.
- While the EO mentions "development assistance funds," the EO is expected to include all foreign assistance including security assistance with exceptions such as foreign military financing to Israel.
- Secretary of State Marco Rubio has <u>stated</u> "Every dollar we spend, every program we fund, and every policy we pursue must be justified with the answer to three simple questions: Does it make America safer? Does it make America stronger? Does it make America more prosperous?"
- House Foreign Affairs Committee Chairman Brian Mast has put a <u>hold</u> on Biden administration foreign assistance programs approved at the last minute, including combatting climate change in the Middle East.



Iron Dome for America

Administration Actions:

President Trump issued an Executive Order (EO) titled <u>the Iron Dome for America</u> which makes it the policy of the United States to deploy and maintain a next-generation missile defense shield and guarantee its secure second-strike capability.

This EO requires that the Secretary of Defense submit an implementation plan for a next-generation missile shield to defend the U.S. against ballistic, hypersonic, advanced cruise missiles, and other next-generation aerial attacks from peer, near-peer, and rogue adversaries.

Section 3 (a) requires the Secretary to accelerate the deployment of the <u>Hypersonic and Ballistic</u> <u>Tracking Space Sensor layer</u>, proliferated space-based interceptors capable of boost-phase intercept, underlayer and terminal-phase intercept capabilities postured to defeat a countervalue attack, and a custody layer of the <u>Proliferated Warfighter Space Architecture</u>. To this end, the Secretary and Director of the Office of Management and Budget would be required to submit a plan to fund this directive.

Section 3 (d) requires an updated assessment of the strategic missile threat to the Homeland and a prioritized set of locations to progressively defend against a countervalue attack by nuclear adversaries.

Section 4 requires the Secretary of Defense to conduct an "Allied and Theater Missile Defense Review," regarding ways the U.S. and its allies can increase cooperation on missile defense and improve theater missile defense.

- The threat of next-generation strategic weapons, including hypersonic, has become more complex with the development of next-generation delivery systems by adversaries such as China.
- China now has the world's leading hypersonic missile arsenal.
 - Hypersonic missiles <u>travel</u> at speeds of Mach 5 or faster, using advanced propulsion systems to maintain velocity while gliding through the upper atmosphere.
 - In 2021, China test <u>fired</u> two intercontinental hypersonic missiles that flew at least partway around the world.
 - o In addition, <u>Russia and North Korea</u> present a long-range missile threat.
- Prior to this order, the Pentagon <u>had</u> begun work on the National Capital Region Integrated Air Defense System designed to shield the Washington, DC area from incoming aerial threats, which will include systems like the <u>Norwegian National Advanced Surface-to-Air Missile System</u> (NASAMS).
- The <u>Iron Dome</u> is an Israeli mobile all-weather air defense system designed to intercept and destroy short range rockets and artillery shells. Israel developed this system with U.S. backing, and it has been operational since 2011.



OMB's Temporary Pause of Grant, Loan, and Other Financial Assistance Programs

Administration Policy:

On Monday January 27, 2025, the Office of Management and Budget (OMB) released a <u>memo</u> to heads of federal departments and agencies calling for a *temporary* pause in funding for agency grant, loan, and other financial assistance programs. The goal of this pause is to ensure that funding is being dispersed in accordance with the policies and requirements laid out in the Trump administration's new Executive Orders:

- Protecting the American People Against Invasion
- <u>Reevaluating and Realigning United States Foreign Aid</u>
- <u>Putting America First in International Environmental Agreements</u>
- <u>Unleashing American Energy</u>
- Ending Radical and Wasteful Government DEI Programs and Preferencing
- Defending Women from Gender Ideology Extremism and Restoring Biological Truth to
- the Federal Government
- Enforcing the Hyde Amendment

The memo requires agencies to complete a "comprehensive analysis" of their programs and temporarily pause "activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal."

The temporary pause is considered effective on January 28, 2025, at 5:00 PM. Agencies must submit information to OMB on all programs impacted by this pause by February 10, 2025.

According to an OMB Q&A document provided to congressional offices regarding this process, the pause "...does not apply across-the-board." The pause does not apply to "...any program that provides direct benefits to Americans..." including Social Security, Medicare, SNAP, funding for small businesses, farmers, Pell grants, Head Start, rental assistance, and other similar programs.

The Q&A document also clarifies that this policy does not constitute an <u>impoundment</u>, as the pause on any affected funding is temporary in nature.

- The intent of OMB's funding pause is to ensure that agencies coordinate with OMB to ensure that no existing programs are being administered in violation of federal law or the policies and requirements issued by the Trump administration's EOs.
- OMB is already working with agencies to review programs, once a program is reviewed according to the OMB guidance it will no longer be paused.



Restoring Accountability for Career Senior Executives

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Restoring Accountability to Policy-Influencing Positions within the Federal Workforce</u>, in order to better hold bureaucrats responsible to the American people. Specifically, this EO reinstates <u>Schedule F</u>, with the new title "Schedule Policy/Career," which exempts federal employees in positions which are of "confidential, policy-determining, policy-making, or policy-advocating character" from the competitive service (career civil servants).

Employees' decisions and actions in these "policy-influencing positions" have a direct impact on the President's agenda and this EO seeks to ensure they are held accountable to "faithfully implement administration policies to the best of their abilities." It also clarifies that employees in this category are "not required to personally or politically support the current President."

This EO will allow the President to hold accountable underperforming bureaucrats who have a negative impact on the implementation of the Administration's policies. A President should be able to hold federal employees accountable when their job impacts their policy directives. Without accountability, unelected bureaucrats can undermine the mandate entrusted to the duly elected President.

The statutory authority of this policy is rooted in <u>section 3302(1) of Title 5</u>, <u>United States Code</u>, which states that, "(t)he President may prescribe rules governing the competitive service," including, "necessary exemptions of positions from competitive service;" as well as, <u>Article II</u> <u>of the United States Constitution</u> which vests sole power over the executive branch to the President of the United States.

- In 2020, President Trump issued the <u>Executive Order on Creating Schedule F in the</u> <u>Excepted Service</u> creating the Schedule F employment category which was defined as, "Positions of a confidential, policy-determining, policy-making, or policy-advocating character not normally subject to change as a result of a Presidential Transition."
- In 2021, Biden repealed Schedule F through <u>EO 14003</u>, no federal employees were terminated due to this policy prior to it being repealed.
- Out of roughly <u>2.2 million federal employees</u>, only 4 thousand are political appointees who are directly accountable to the Presidential administration they serve under.



Regulatory Freeze

Administration Policy:

President Trump issued an Executive Order (EO) calling for a <u>regulatory freeze</u> pending a review by new Trump administration officials. The EO requires that federal agencies do not propose or issue any rule until a new department or agency head is appointed. Further, it orders the withdrawal of any rules that have been submitted to but not yet published in the *Federal Register*. It also postpones for 60 days the effective date of any rules that have been published in the *Federal Register* but have not yet taken effect.

- Former President Biden added <u>more</u> regulatory cost to the U.S. economy than any President in history.
- According to a <u>2024 report</u>, the total cost to the U.S. economy from final rules implemented by the Biden administration reached \$1.47 trillion during Biden's last year in office.
 - These rules also required an estimated 278.6 million hours of time from individuals and businesses to meet compliance.
- In Biden's first year in office, his administration added more than <u>\$200 billion</u> in new regulatory cost to the U.S. economy, more than four times the cost added during former President Obama's first year.
- The Biden administration made the regulatory process less transparent by rolling back <u>policies</u> requiring federal agencies to disclose regulatory guidance (e.g., memos, statements of policy, or similar agency documents that can have a regulatory impact) and changed the cost/benefit analysis conducted on proposed rules to water down their estimated cost.
- During his first administration, President Trump initiated an aggressive deregulatory agenda. <u>EO 13771</u> required that a federal agency take two deregulatory actions for every new regulation.
 - According to a <u>report</u> from Office of Information and Regulatory Affairs (OIRA) in 2020, EO 13771 reduced regulatory costs by \$200 billion.
 - The same report also noted that the ratio of deregulatory actions to significant regulatory actions was closer to 5 to 1 during President Trump's first term.
- A 2019 interim <u>report</u> from the Council of Economic Advisers projected that overtime, Trump's deregulatory policies could raise real incomes by \$3,100 per household per year and save consumers and businesses roughly \$220 billion per year.



Restoring Freedom of Speech and Ending Federal Censorship

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Restoring Freedom of Speech and</u> <u>Ending Federal Censorship</u> to prohibit government censorship and restore the constitutional right to free speech. Specifically, this EO establishes that the policy of the United States is to "secure the right of the American people to engage in constitutionally protected speech."

The EO highlights how "the previous administration trampled free speech rights by censoring Americans' speech on online platforms." This EO seeks to undo the damage done to free speech rights and protect the First Amendment, which the President says is "essential to the success of our Republic."

Section 2 (c) of this order asserts that no further taxpayer resources may be used to "unconstitutionally abridge the free speech of any American citizen."

Section 3 (b) requires the Attorney General (AG) to formally investigate the actions of the Biden administration and submit a report with suggestions for remediation to the President.

- Meta Platforms CEO Mark Zuckerberg admitted that the <u>Biden administration pressured</u> <u>Meta to censor COVID-19 information</u> in 2021.
 - Specifically, senior officials from the Biden White House pressured Meta to remove COVID-19 content it didn't approve of, including humor and satire.
- The Select Subcommittee on the Weaponization of the Federal Government released a <u>report</u> on how the Biden administration coerced Big Tech companies to censor Americans.
 - This report found that companies like Facebook, YouTube, and Amazon changed their content moderation policies as a direct result of pressure from the Biden administration.
 - The report also revealed that the Surgeon General attempted to remove "true information about side effects."
- The <u>Supreme Court declined to take action</u> against the Biden Administration in 2024 for its role in censorship on media platforms.
- The <u>Protecting Speech from Government Interference Act</u> passed the House of Representatives in 2023, and would prohibit federal employees from using their authority to advocate for censorship or pressure private companies to censor free speech.



Ending the Weaponization of the Federal Government

Administration Policy:

President Trump issued an Executive Order (EO) titled <u>Ending the Weaponization of the</u> <u>Federal Government</u>. This EO establishes that the policy of the United States is to "identify and take appropriate action to correct past misconduct by the Federal Government related to the weaponization of law enforcement and the weaponization of the Intelligence Community."

Specifically, the EO requires the Attorney General (AG) to provide a report to the President on any federal department or agency misconduct or weaponized behavior over the last four years, with recommendations for appropriate remedial actions. This report would be made in consultation with the newly appointed department and agency heads.

This EO also requires the Director of National Intelligence (DNI) to provide a separate review and report to the President on the activities of the Intelligence Community (IC) in consultation with the newly appointed intelligence agency leaders.

Background:

Over the last four years, the Biden administration has taken many actions that have eroded the public's trust in America's institutions, including instances listed below:

- On October 4, 2021, the Department of Justice (DOJ) released a <u>memo</u> directing the FBI to partner with local law enforcement to discuss parental threats at school board meetings. Later, after conducting oversight over this decision the House Judiciary Committee found that there was "<u>no legitimate basis</u>" for DOJ's policy.
- Following the <u>leak</u> of a draft opinion in the *Dobbs v. Jackson* case, there were roughly <u>40 occurrences of criminal activity</u> targeting churches and crisis pregnancy centers, some of which included violence or vandalism, which the Biden administration failed to adequately address.
- In April 2022, the Department of Homeland Security (DHS) announced the creation of a "<u>disinformation board</u>", whose <u>activities</u> were quickly <u>suspended</u> and eventually <u>shutdown</u> due to concerns of weaponization against Americans' civil liberties.



Trump Administration Federal Workforce Reforms

The Trump administration has implemented a multitude of policies focused on reducing the size of the federal bureaucracy and restoring accountability and efficiency.

Most recently, the Trump administration issued an Executive Order (EO) titled <u>Implementing The</u> <u>President's "Department of Government Efficiency (DOGE)" Workforce Optimization Initiative</u>.

This EO requires federal agency leadership to coordinate with DOGE on "data-driven" plans to reduce the size of the federal government through improving efficiency and attrition. These plans are supposed to take effect following the conclusion of the <u>90 day hiring freeze</u> announced by the Trump administration on January 20th.

The EO requires agencies not to hire more than one new employee for every four departing employees. The EO also requires agency heads to prepare large-scale <u>reductions in force</u> (RIFs), which should prioritize the reduction of offices that perform functions beyond what is required by existing statute, diversity, equity, and inclusion (DEI) initiatives, and operations that the Trump administration suspends or closes. The EO exempts employees in law enforcement or roles that are critical to national security.

Prior to this EO, the Trump administration:

- Implemented a <u>90-day hiring freeze</u>,
- Required a return to in-person work for federal employees,
- Instituted reforms to reclassify career senior executive employees,
- Offered federal employees "deferred resignation," which would pay departing employees for 8 months and was accepted by roughly <u>75,000 federal employees</u>.

- Optimizing the federal workforce has been attempted by previous Republican and Democrat administrations.
 - In 1993, former President Bill Clinton issued <u>EO 12389</u>, which required a reduction of 100,000 federal positions.
 - Similarly, former President Clinton <u>launched</u> the "National Performance Review" where he <u>stated</u>, "Our goal is to make the entire Federal Government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate the entire National Government." This report included 380 reforms to reorganize and downsize government.
- A fact sheet on President Trump's federal workforce reforms from The White House can be found <u>here</u>.



The Organization for Economic Co-operation and Development (OECD) Global Tax Deal

Administration Policy:

President Trump issued <u>an executive order (EO) regarding the OECD Global Tax Deal</u>. The order directs the Secretary of the Treasury and the U.S. Permanent Representative to the OECD to notify the OECD that any commitments made by the previous administration on the deal have no force or effect within the United States unless adopted by Congress.

In consultation with the United States Trade Representative, the EO also instructs the Secretary of the Treasury to investigate whether foreign countries are violating tax treaties with the U.S. and/or implementing tax rules that unfairly affect American companies. Within 60 days, the Secretary of the Treasury will present a list of response options to the President regarding non-compliance with tax treaties and discriminatory/extraterritorial taxes on U.S. firms.

- The Global Tax Deal is an agreed-upon two-pillar solution for addressing tax challenges in the digital economy. Pillar 1 focuses on reallocating corporate profits above a certain threshold to market jurisdictions in exchange for rescinding digital services taxes. Pillar 2 introduces a global 15% minimum tax regime under the <u>Global Anti-Base Erosion rules</u> intended to prevent multinational corporations from shifting profits to low-tax jurisdictions.
- In October of 2021, after years of gridlock on global tax negotiations hosted by the Parisbased OECD, the Biden Administration agreed to a negotiated Global Tax Deal without the consent of Congress.
- The Biden Administration negotiated poorly at the OECD, giving away U.S. tax sovereignty to unelected bureaucrats.
- According to the Joint Committee on Taxation (JCT), the U.S. could lose up to <u>\$120</u> <u>billion</u> in tax revenue under the Pillar 2 portion of the global tax deal, putting U.S. workers and businesses at risk.
- JCT analysis also shows that in 2021, the proposed deal on Pillar 1 would have caused the U.S. to lose up to <u>\$4.4 billion</u> in tax revenue to foreign nations, wreaking havoc on taxpayers and the U.S. economy.



America First Investment Policy

Administration Policy:

President Trump issued a <u>National Security Presidential Memorandum</u> promoting foreign investment while protecting America's national security interests, particularly from threats posed by foreign adversaries like the People's Republic of China. The memorandum directs the Committee on Foreign Investment in the United States (CFIUS) to restrict Chinese investment in technology, food supplies, farmland, minerals, natural resources, ports, and shipping terminals.

The memorandum requires CFIUS to establish new rules to curb the exploitation of U.S. capital and to consider new restrictions on American outbound investment in China in sensitive technologies such as semiconductors, artificial intelligence, quantum, biotechnology, and aerospace. It would also create a "fast track" process to facilitate greater investment from allies and partners with conditions that prevent investors from partnering with foreign adversaries.

- <u>CFIUS</u> is an interagency committee authorized to review certain transactions involving foreign investment in the United States and certain real estate transactions by foreign persons, in order to determine the effect of such transactions on the national security of the United States.
 - CFIUS operates pursuant to <u>section 721 of the Defense Production Act of 1950</u>, as amended (section 721), and as implemented by <u>Executive Order 11858</u>.
- In 2023, the United States invested <u>\$126.9 billion in China</u>, which was a 3.8% increase from 2022. This investment was primarily in the manufacturing, wholesale trade, and finance and insurance sectors.
- China's strategy of <u>Military-Civil Fusion</u> aims to establish the People's Liberation Army as a world class military by 2049 by eliminating the barriers between China's civilian research and commercial sectors and its military sectors especially in the areas of quantum computing, big data, semiconductors, 5G, advanced nuclear technology, aerospace technology, and AI. The PRC seeks to exploit the inherent "dual-use" nature of many of these technologies, which have both military and civilian applications.
- In August 2023, President Biden issued <u>Executive Order (E.O.) 14105</u> to establish a targeted outbound investment program, which required a notification by U.S. persons for certain types of investments in semiconductors, microelectronics, quantum computing, and AI in China.



Revoking Biden's Electrical Vehicle Mandate

Administration Policy:

President Trump issued an Executive Order (E.O.) titled <u>Unleashing American Energy</u>. One of the signature policies of the E.O. is ending former President Biden's harmful Electric Vehicle (EV) mandate. Specifically, Section 2 (e) outlines this goal, "to eliminate the "electric vehicle (EV) mandate" and promote true consumer choice... by removing regulatory barriers to motor vehicle access; by ensuring a level regulatory playing field for consumer choice in vehicles... and other ill-conceived government-imposed market distortions that favor EVs over other technologies and effectively mandate their purchase by individuals, private businesses, and government entities alike by rendering other types of vehicles unaffordable."

Biden's Environment Protection Agency (EPA) issued a <u>rule</u> in March 2024, restricting the sale of conventional gas powered vehicles, with the goal of having roughly two thirds of commercially available cars be EVs by 2032, despite the fact that they only made up <u>9</u> <u>percent</u> of the market in 2023.

- EV mandates exacerbate U.S. reliance on China, the primary producer of batteries and battery components for electric vehicles. In 2023, China provided <u>70 percent</u> of the lithium-ion batteries for U.S. electric vehicles. China also controls <u>90</u> <u>percent</u> of U.S. demand for rare earth elements, which are critical for EV production.
- The artificial demand for EVs created by Biden administration policies have burdened our already struggling electrical grid. According to a 2022 <u>study</u> by the *Wall Street Journal*, power disruptions have doubled since 2013.
- Studies have found that EVs are less reliable than traditional energy vehicles, especially for Americans in rural communities who do not have access to charging infrastructure. According to a 2023 report, EVs manufactured from 2020 to 2023 have 80 percent more problems than gas powered vehicles.
- According to the America First Policy Institute, Biden's EV mandate threatened to takeaway 200,000 auto-manufacturing jobs.
- <u>A 2024 Global Automotive Consumer Study</u> found that 67 percent of Americans preferred that their next car purchase be a conventional gas-powered vehicle, while only 6 percent preferred an EV.



Defending American Companies and Innovators from Overseas Extortion and Unfair <u>Fines and Penalties</u>

Administration Policy:

President Trump issued a <u>memorandum</u> titled *Defending American Companies and Innovators from Overseas Extortion and Unfair Fines and Penalties.* The memo informs key officials, including the Secretaries of Treasury and Commerce, the U.S. Trade Representative (USTR), and the Senior Counselor to the President for Trade and Manufacturing, that it is the policy of this Administration to implement tariffs and other measures in response to foreign governments imposing discriminatory or disproportionate fines, penalties, taxes, or other burdens. This policy aims to protect American companies from actions that unfairly transfer funds or intellectual property to foreign governments.

The memorandum instructs USTR to determine whether to renew investigations, under <u>Section 301 of</u> the <u>Trade Act of 1974</u> (Section 301), of digital service taxes (DSTs) of France, Austria, Italy, Spain, Turkey, and the United Kingdom. USTR should also determine whether to investigate the DST of any other country, including Canada, that may discriminate against United States companies or burden or restrict United States commerce.

- DSTs are gross revenue taxes. Taxes on gross revenues are distortive and create double taxation. DSTs unfairly and disproportionally affect US multinationals.
- DSTs started proliferating over the last 10 years, unfairly targeting the US technology industry.
 - In 2019, USTR began investigating <u>various foreign nations' DSTs</u> under Section 301.
 - In July of 2020, USTR determined the French DST was actionable and announced it would implement 25% duty on French products. This duty was immediately paused to allow negotiations to move forward.
- In June of 2021, USTR determined that all DSTs under investigation were actionable under Section 301. Duties were paused for 180 days to allow ongoing global tax negotiations under the Organization for Economic Cooperation and Development (OECD).
- On October 8, 2021, over 135 countries, including the United States, <u>agreed</u> to a twopillar solution to address the tax challenges arising from the digitalization of the economy. USTR announced on the same day to end all Section 301 actions to allow countries to implement the two-pillar solution.
 - Pillar 1 negotiations have stalled since the October 2021 agreement. This memo serves as a notice that the Trump Administration is seeking to reset and follows a <u>Trump EO</u> from January 20th pulling the US out of the OECD Global Tax Deal.