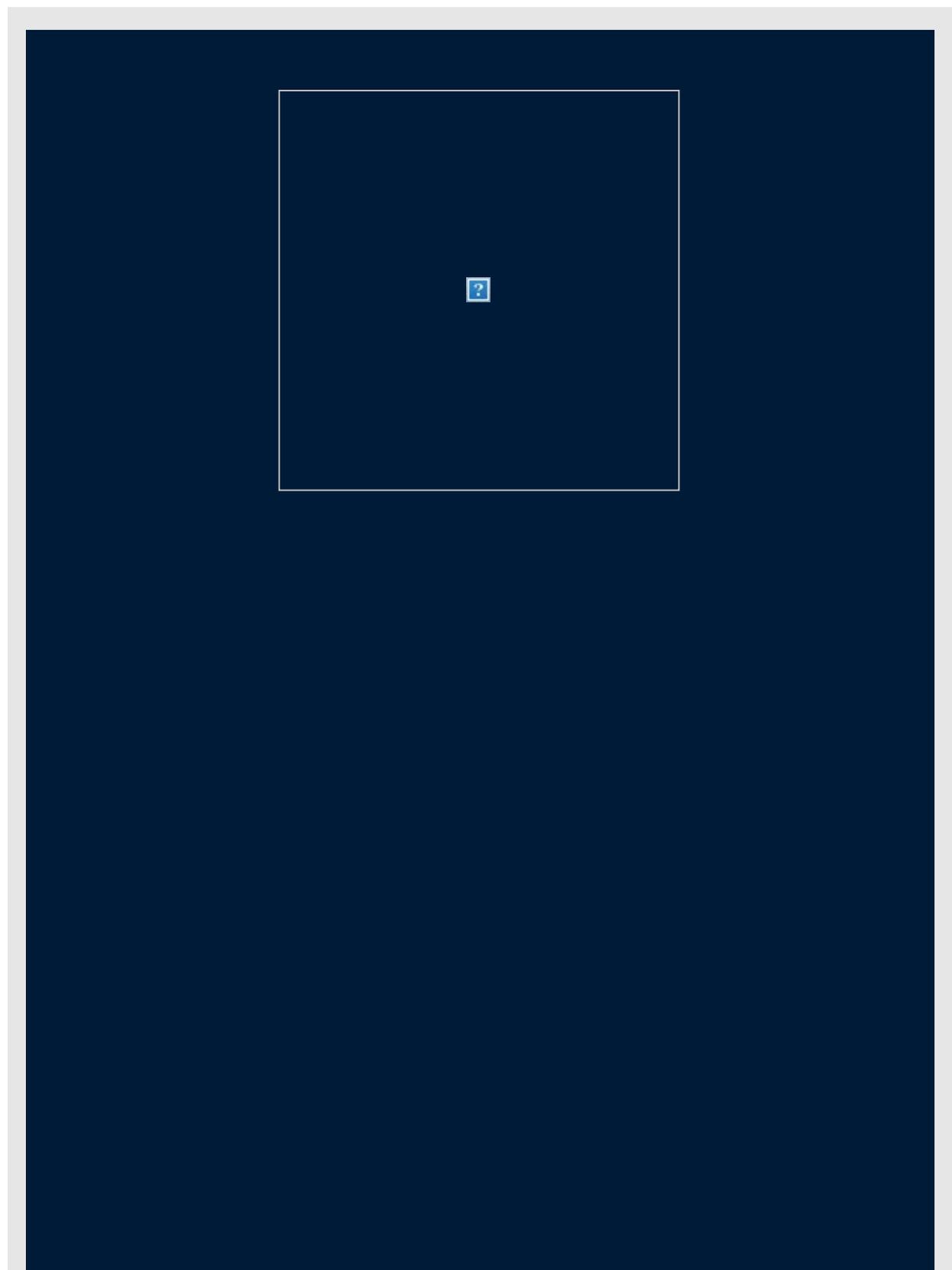


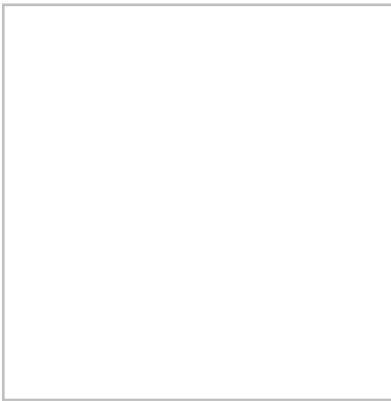
From: [The Roosevelt Group](#)
To: [Ireland, Michelle](#)
Subject: [EXTERNAL] Executive Insight Brief
Date: Friday, January 17, 2025 8:03:43 AM



Executive Insight Brief

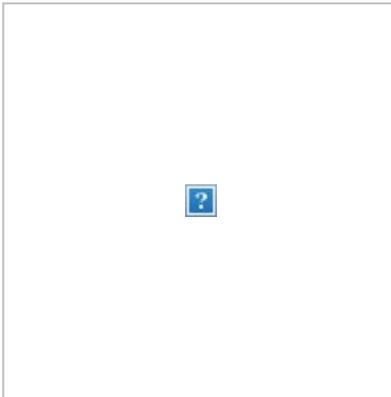
January 17, 2025

Notable Headlines



- [With 72 hours to go, TikTok ban sends Washington scrambling](#)
- [What we know about the Israel-Hamas ceasefire, and what it means for Gaza and the hostages](#)
- [Senate panel votes in support of 'Remain in Mexico' border policy](#)
- [Former NYC Mayor Rudy Giuliani reaches settlement in dispute over Florida condo, World Series rings](#)
- [Former Bernie Sanders campaign manager Faiz Shakir jumps into race for DNC chair](#)

View From The Hill



The 119th Congress kicked into considerably higher gear this week, with a flurry of confirmation hearings taking place in the Senate and the House passing its first major pieces of legislation with unified control of Capitol Hill. First, in the Senate, the embattled nominee to be President Trump's Secretary of Defense, Pete Hegseth, faced withering scrutiny from democrats on the Senate Armed Services Committee. Democratic senators grilled Hegseth on his lack of large organizational leadership experience, including a lack of senior Defense Department leadership, as well as reports surrounding alleged sexual assault, alcohol-fueled misbehavior, and general indiscretions across several different professional roles. Republicans came staunchly to the nominee's defense, noting their desire to see new and transformational leadership at a Department of Defense that has often faced criticism for deeply embedded bureaucratic inefficiencies, financial waste, and, in

recent years, controversial policies surrounding abortion, medical procedures for transgender servicemembers, as well as diversity, equity, and inclusion initiatives. The hearing, interrupted several times by protestors staked out in the audience, was largely seen as a win for Hegseth and Trump, with democrats unable to land any perceptibly fatal blows and republicans emerging unified in support. Even Sen. Joni Ernst (R-IA), who had previously expressed concerns around his sexual assault allegations and comments surrounding women servicemembers in combat, issued a statement saying she intends to support his nomination in committee and on the Senate Floor.

Nomination [hearings](#) also played out for Trump's nominees to lead the Departments of Energy (industry executive [Chris Wright](#)), State (Senator [Marco Rubio](#) (R-FL)), Transportation (former Rep. Sean Duffy (R-WI)), and Justice ([Pam Bondi](#)), as well as Trump's pick for Director of the Central Intelligence Agency, former Texas representative and Director of National Intelligence [John Ratcliffe](#). Secretary of Homeland Security nominee (South Dakota Gov. [Kristi Noem](#)) had her hearing pushed back to today, Friday, January 17th. With GOP control of the Senate, most of these nominees appear on a glide path toward confirmation in the days and weeks following the Inauguration.

On the legislative front, the Senate also [voted](#) again to advance debate on the *Laken Riley Act* by an overwhelming bipartisan majority. Senate GOP Leader John Thune (R-SD) stated his intention to allow amendment votes from democrats and republicans on the bill, which, if passed, would go back to the House for final consideration. Thune also [stated](#) that he does not believe that a suspension of the debt limit ceiling will remain a part of ongoing budget reconciliation negotiations, meaning lawmakers will need to find some other vehicle for the debt ceiling action, or vote on it as a standalone provision. Rounding out a busy week for Thune, the new GOP leader also [named](#) his top unofficial advisors, known around town as his "kitchen cabinet." This group of trusted counselors to Thune is composed of Sen. John Cornyn (R-TX), Sen. Marsha Blackburn (R-TN), Sen. Markwayne Mullin (R-OK), and Sen. Steve Daines (R-MT).

Over in the House, Speaker Mike Johnson continued to oversee debate within his conference over how to go about structuring budget reconciliation procedures that will—he hopes—enable the party to quickly begin enacting the Trump policy agenda once the new administration is sworn in. Specifically, republicans will need to decide how to move an extension and possible expansion of the 2017 *Tax Cuts and Jobs Act*, a key legislative victory in Trump's first term. One [challenge](#) facing the House is resistance from blue state republicans over the initial law's caps on State and Local Tax (SALT) deductions that raised tax burden exposure on their constituents. Now

that the tax law is facing the need for extension, these moderate republicans are looking to leverage their voting power in an ultra-slim majority to raise the cap on SALT or find some other relief for their constituents. After meeting with Trump at Mar a Lago over the weekend, these GOP Members appear cautiously optimistic that a deal can be struck that would ensure their support, with some going so far as to speculate that a bill inclusive of SALT relief could [win](#) over some moderate House democrats.

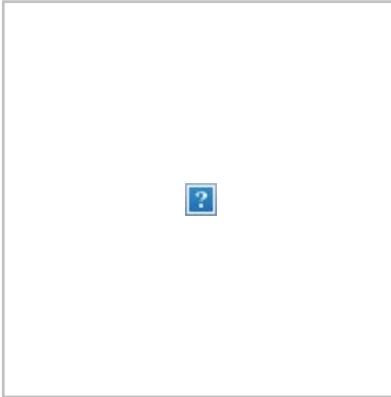
Following the large bipartisan vote sending the *Laken Riley Act* to the senate, the House muscled through on a much smaller bipartisan margin [legislation](#) that would withhold federal funding from schools that allow transgender women and girls to compete in women's sports. Only two democrats, Rep. Henry Cuellar (D-TX) and Rep. Vicente Gonzales (D-TX), joined with all GOP Members to support the bill, which faces a much more difficult path in the face of a possible senate filibuster.

In a surprise move and blow to the national security wing of the House GOP, Speaker Mike Johnson (R-LA) stripped Rep. Mike Turner (R-OH) of the chairmanship of the powerful House Permanent Select Committee on Intelligence (HPSCI). Turner had drawn ire from House conservatives for his allegedly hardball tactics to reauthorize federal surveillance authorities, known as section 702, and had frustrated Trump over his staunch defense of U.S. aid to Ukraine. Still, the veteran Ohio lawmaker was expected to retain the HPSCI gavel until Wednesday evening when the announcement from the speaker's office shocked Members on both sides of the aisle. It is widely believed that Trump directly intervened with Johnson to boot Turner from the role. Johnson is [expected](#) to tap Rep. Rick Crawford (R-AR) to replace Turner.

Florida Governor Ron DeSantis announced Ashley Moody, Florida Attorney General, will be [appointed](#) to fill Marco Rubio's Senate seat. Moody has served as Florida's AG since 2019 and was in her last term. She will have to run in a 2026 special election if she wants to serve the remaining two years Rubio would have on his term. Republican Rep. Cory Mills (FL-07) has already announced he will run in the special election as well meaning Moody will have at least one competitor if she decides to run.

After coming into use for the first time in years, the fireplace in the senate republican leadership suite sent smoke [billowing](#) into the halls of the senate, as Leader Thune's staff attempted to warm up against the brutal winter Washington cold. Longtime Senate GOP Leader Mitch McConnell (R-KY), who occupied the suite for the duration of his eighteen-year tenure, agreed not to use the fireplace in order to have a historic portrait of Henry Clay hung above the mantle on loan from the National Gallery of Art.

Pentagon News



Congress's directive for the Department of the Air Force to submit a 2050 force design report, as part of the FY24 National Defense Authorization Act, was driven by concerns over the Air Force's shrinking fleet and its need to modernize amidst rising threats from China and Russia. [Rep. Don Bacon](#) (R-Neb.) highlighted that the Air Force was retiring aircraft faster than it could replace them, raising questions about its future readiness. The goal was for the Air Force to clearly define its needs and vision for the future to ensure it remains the dominant global force.

Released to the public three days ago, [the report](#) outlines the necessary modernization efforts, focusing on emerging technologies like AI, advanced long-range strike capabilities, and enhanced space operations to maintain superiority. It also emphasizes structural changes, recruitment of specialized personnel, and preparing for an evolving geopolitical landscape. As this blueprint will shape defense strategies and budget decisions, it's an important document for stakeholders in the defense sector to understand. We encourage clients to explore the full report for deeper insights into how the Air Force and Space Force plan to maintain readiness through 2050.

In another major development, the incoming Trump administration has announced [Troy Meink](#) as the nominee for U.S. Air Force (USAF) Secretary. Currently serving as the principal deputy director of the National Reconnaissance Office (NRO), which oversees the nation's spy satellites, Meink also brings a background as a missile engineer. If confirmed, he will oversee key Air Force programs, including those involving intercontinental ballistic missile systems, AI-powered drones, and next-generation aircraft. However, as USAF Secretary, he would inherit a number of budgetary challenges, with costs for major programs—such as the Sentinel project modernizing the ICBM system—on the rise. Meanwhile, the newly established

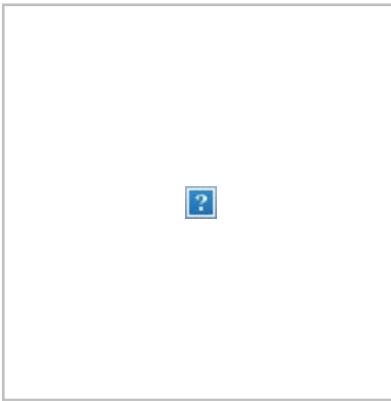
Department of Government Efficiency has already targeted Pentagon spending, raising concerns over the F-35 program, which could be in the crosshairs for cuts in the near future.

Additionally, Trump has also reportedly chosen [Matt Lohmeier](#) to be the Under Secretary of the Air Force according to an unnamed source familiar with the situation. Lohmeier is a former Space Force lieutenant colonel who was fired after appearing on a podcast and making politically charged comments regarding the diversity, equity, and inclusion training in the military. Active-duty members of the military are barred from partisan activities, and the Space Force cited his partisan activities on the podcast in their comments on Lt. Col. Lohmeier's dismissal.

A Defense Industrial Board report [focused heavily on unmanned weapon systems](#) (UxS) and on the necessity of the Pentagon to cease self-impeding its goals. One recommendation made in the report is for the DoD and services to "publish an unclassified operational and tactical vision for UxS in the force." Increased transparency in topline budgets and procurement targets would better inform manufacturers and private capital groups, enabling them to align more effectively with DoD objectives. Amid growing concerns over critical minerals, the report also addressed the critical minerals UxS rely on, such as lithium, cobalt, nickel, graphite, and others. It is well known the stronghold the People's Republic of China (PRC) has on critical minerals and has already [banned export](#) of some to the United States. The DIB report made it known that DoD processes, as well as continued reliance on continuing resolutions, are a major obstacle to innovation.

Finally, in the waning days of the current administration, President Biden has issued an [executive order](#) directing the Department of Defense and the Department of Energy to select and lease federal sites for private companies to create large-scale artificial intelligence (AI) data centers and clean energy resources to support them. The sites of these data-centers will be [chosen](#) based on "accessibility to high-capacity transmission infrastructure and minimized adverse effects on communities, the natural environment, and commercial resources." The prioritization of AI through executive order was justified with national security concerns, along with the desire to build the infrastructure quickly and use clean energy. Once sites have been selected, the Departments of Defense and Energy will review proposals from private industry for constructing, operating, and owning the gigawatt-scale AI infrastructure.

Next Week's Hearings



Armed Services Committee:

House: NONE

Senate: NONE

Appropriations Committee:

House: NONE

Senate: NONE

Homeland Security Committee:

House: NONE

Senate:

- 1/17, 9:00 AM - Nomination Hearing for Kristi Noem to be Secretary of Homeland Security

Other Nominations:

- 1/20, 3:15 PM - Business Meeting to consider the nomination of Marco Rubio to be Secretary of State (Foreign Relations Committee)
- 1/21, 10:00 AM - Nomination Hearing for Elise Stefanik to be U.S. Ambassador to the United Nations (Foreign Relations Committee)
- 1/21, 10:00 AM - Nomination Hearing for Doug Collins to be Secretary of Veterans Affairs (Veterans' Affairs Committee)
- 1/22, 10:00 AM - Nomination Hearing for Russell Vought to be Director of the Office of Management and Budget (Budget Committee)
- 1/22, 10:00 AM - Business Meeting to consider the nomination of Sean Duffy to be Secretary of Transportation (Commerce, Science, and Transportation Committee)
- 1/23, 9:00 AM - Business Meeting to consider the nomination of Doug Collins to be Secretary of Veterans Affairs (Veterans' Affairs)
- 1/23, 10:00 AM - Nomination Hearing for Brooke Rollins to be Secretary of Agriculture (Agriculture, Nutrition, and Forestry Committee)

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