The Biden Administration: The First 100 Days and Winners and Losers

A United States Perspective

January 21, **2021**

With Joe Biden's inauguration as the 46th president of the United States and a Democrat-controlled Congress with a razor-thin majority in both the House and the Senate, what can we expect in the new administration's first 100 days and the next two years? What sectors face the greatest impacts from the change in leadership inside the Beltway from a Biden presidency and a Democrat-controlled Congress? Who are the likely winners and losers? What should companies do now? This Flash Report addresses these questions.

The important dynamic on Capitol Hill is that, as a result of the Georgia Senate run-offs, the Biden administration will be working with Senator Chuck Schumer in deciding what comes to the Senate floor for vote rather than be faced with having to negotiate with Senator Mitch McConnell. The president has expressed a desire for bipartisanship, meaning achieving 60 votes in the Senate to avoid a filibuster or use the budget reconciliation process if 60 votes are not attainable. The nuclear option to do away with the filibuster is off the table, at least at the outset, as Senator Joe Manchin has said he will not support it. However, passing significant legislation will not be easy and the Democrats may have to resort to budget reconciliation to get certain things done. But Democrat control of the Senate does open up opportunities to President Biden to get the nominees he wants to the floor. The margins in both the House and Senate are such that moderates may be key to governing, particularly if Speaker Nancy Pelosi is unable to hold her slim majority together.

The First 100 Days

In the aftermath of any presidential election with a change in party leadership, the question arises as to the likely focus out of the starting gate. We can expect much is on the agenda. However, there may be headwinds to progress on the Biden agenda, the most notable being how much of Congress' time will be soaked up with the focus on Trump's impeachment trial in the Senate. While the House operated with dispatch on a vote to impeach the former president, it is possible that it may wait until after the Biden administration's first 100 days to send the article of impeachment to the Senate.[1] This approach suggests that some Democrat leaders do not want to hamstring Biden's first 100 days, as every president gets only one of those.

However, Speaker Pelosi has declined to reveal when the House will send its resolution of impeachment against the former president to the Senate, leaving everyone guessing as to when the trial will take place. The nine impeachment managers appointed to lead the Democrats' case against Trump are presently working on taking the matter to trial.[2] That process may take time, but it is possible that the impeachment article may be sent immediately to the Senate once the Democrats are ready to make their case. If that happens, the Biden administration will face a historic and potentially time-consuming distraction on advancing its agenda during the first 100 days.

With the above caveat, below are likely priorities of the president's administration in its first 100 days under eight broad themes. The first 100 days will be kicked off with a "10-day blitz" of executive actions focusing on four overlapping and compounding crises – the COVID-19 crisis, the resulting economic crisis, the climate crisis and a racial equity crisis.[3] Of the priorities summarized below, we do not expect them all to be accomplished in the first 100 days. But we do expect each of the broad themes to be addressed through either taking definitive action or laying the foundation for the next two years through the 2022 midterms. The agenda follows and is supported in greater specificity in *Appendix A*:

1. **Contain the COVID-19 pandemic.** Address the COVID-19 pandemic by sparing no expense in undertaking a number of initiatives based on science to turn the pandemic around.

2. **Shore up the Affordable Care Act (ACA).** On the broader healthcare front, reverse Trump's executive orders to dismantle the ACA, build on the ACA by placing emphasis on a government-sponsored plan that competes with private insurers and reinstituting the individual mandate, and take measures to lower prescription drug prices.

[1] "Democrats Promise Quick Move to Impeachment if 25th Amendment Push Fails," Devan Cole, Jeff Zeleny, Daniella Diaz and Manu Raju, CNN, January 11, 2021, www.cnn.com/2021/01/10/politics/james-clyburn-impeachment-senate-trial-biden-cnntv/.

[22] "Pelosi Mum on When House Will Send Impeachment Article to Senate," Mike Lillus, *The Hill*, January 15, 2021, https://thehill.com/homenews/house/534452-pelosi-mum-on-when-house-will-send-impeachment-article-to-senate.

[3] "Biden Plans Immediate Executive Actions to Roll Back Trump Era After Inauguration Speech," Tucker Higgins, CNBC, January 17, 2021.

3. **Reverse the prior administration's other executive orders.** Reverse many other Trump executive orders, particularly those weakening environmental standards and opening federal lands to oil and gas extraction. Sign executive orders to take measures that are within the full authority of the office to initiate progress on significantly reducing GHG emissions. Propose legislation to end fossil fuel breaks and begin transitioning away from the oil industry to renewables, electric vehicles and energy efficiency.

4. **Pass stimulus, tax and infrastructure legislation.** Request Congress to pass more stimulus legislation to help suffering Americans by giving them the balance of their coveted $2,000 coronavirus payments. Push for a tax and infrastructure plan, which is part of Biden's "Build Back Better" program, later in the spring.[4]

5. **Undertake focused initiatives to create jobs.** Initiate targeted business initiatives to create millions of manufacturing jobs through tax incentives.

6. **Address systemic racism and growing economic inequality.** Deliver on Biden campaign promises around addressing systemic racism and growing economic inequality.

7. **Reverse the prior administration's decisions on immigration.** Take a number of steps to roll back the Trump era decisions on immigration.

8. **Empower workers and unions.** Focus on strengthening worker organizing, collective bargaining and unions.

The above themes do not cover other matters the Biden campaign promised to address related to foreign policy. There are many questions to be answered as the new administration gets underway. But the above agenda illustrates potential focus of the first 100 days and the agenda through the 2022 midterms.

[4] "Biden's One-Two Stimulus Punch," Hans Nichols, Axios, January 8, 2021, www.axios.com/joe-biden-coronavirus-stimulus-congress-142d97d0-8830-4fcc-92a9-7a6f7f103378.html.

Impact on Select Industry Sectors

There are winners and losers in any change in the White House. Below we comment on the potential implications of a Biden administration on various industry sectors and the 117th Congress. While the House and Senate are both controlled by the Democrats, the majority advantage is razor thin. Not only may this reality of divided government pose limitations on the extent to which progressive legislation can be passed, but it also could pose limitations on the extent to which *any* legislation can be passed.

Below is a summary of possible winners and possible losers from the Biden presidency and Democrat-controlled Congress:

Possible Winners	Possible Losers	Mixed	
• Consumer Products • Construction • Renewables • Telecommunications	• Banking and Capital Markets • Defense • Oil and Gas • Shipping • Technology	• Airlines • Automotive • Healthcare • Industrials	• Insurance • Pharmaceuticals • Utilities

Appendix B provides analysis and supporting commentary discussing each of the above sectors, largely based on reviewing the Biden campaign's policy statements.

What Do Companies Do Now?

With a Biden presidency and a Democrat-controlled Congress, companies need to address the impact of changing political realities. Following are suggestions companies can consider now:

Evaluate strategic assumptions. Every organization's strategy has underlying assumptions, explicit or implicit, about the future. If they haven't already, companies should assess their underlying strategic assumptions in light of likely actions over the next two years, including actions that can be undertaken unilaterally without congressional support. If it's possible that one or more assumptions might be rendered invalid in the foreseeable future, then senior management should assess the ramifications to the strategy and business model and evaluate the organization's options. As suggested in the next point below, scenario analysis may be useful in this regard.

Consider the implications of plausible scenarios germane to your sector and begin preparing for the possible. Formulate appropriate scenarios, considering the impact of the new administration's various policy initiatives with respect to regulatory matters, taxation, immigration, trade, infrastructure investments, and other matters on the company's markets, channels, customers, employees, supply chains, cost structure, business model and cash flow. Use the scenarios to understand the potential impact on the business and formulate strategic alternatives to capitalize on market opportunities and address emerging risks. Update the analysis as the president's team is identified and policies are clarified through the first 100 days.

Watch for influence opportunities. A lot of spending will be proposed over the next several months as well as legislation that can affect multiple industries. Companies should stay in touch with developments using their appointed insiders and advocates and, when the industry's interests are at stake, look for opportunities to educate policy makers and legislators on the implications of specific proposals. When addressing the particulars of specific legislation, it is important to tie arguments for or against to what's best for the country and for the particular state or district in question.

Consider strengthening the company's commitment to and reporting of ESG performance. Under a Biden administration, it is a fair bet that increased importance will be placed on sustainability performance and reporting. For example, in the first 100 days, public companies may be required to disclose climate risks and GHG emissions in their operations and supply chains. Viewing this as an opportunity, companies should focus on whether their ESG storyline is resonating in the marketplace and impacting the company's valuation. They should understand how the company's message compares to peers, leaders and key competitors. They should assess their processes for engaging and understanding the expectations of ESG stakeholders. For example, institutional investors and asset managers having a stake in the company continue to articulate their expectations for reporting ESG performance as well as the ESG criteria they are using in following the industry. It may also be useful to monitor the company's ESG ratings and understand what makes them change.

Monitor developments on trade, but don't expect quick changes. Expect theBiden administration to engage multilaterally with the global economy and with trade issues. With respect to China, expect an effort to formulate a coordinated approach with America's traditional allies. The Biden campaign committed to reduce dependency on China and other countries for critical goods (e.g., PPE, drugs) in times of crisis by bringing back related supply chains to America. In their business planning, companies should not expect a significant change in the current tariff structure until after the administration completes a thorough review of its trade policy options in consultation with its allies. That review will take time to complete and there are higher priorities on President Biden's agenda.

Make adjustments for increased costs. The Biden administration will likely reverse Trump's executive orders on deregulation as well as appoint agency heads who may revise rules within the context of existing laws. The significance of these changes and their impact on costs bear monitoring closely. Changes made to the ACA could impact companies. Given the massive deficits and the damage wrought on the economy by the pandemic, a corporate tax increase is inevitable.

Follow the money. The Biden presidency will push an infrastructure bill that would invest in restoring highways, roads and bridges as well as in renovating schools and replacing water pipes. It will focus on electric vehicles and trains. It will seek to build out rural broadband access. And this would largely be done with American-made materials and American labor, a big opportunity for construction and manufacturing companies. The narrative on America's infrastructure needs is well known, so expect the buzz on infrastructure investments to get louder. The only questions are where, when and how much.

Update M&A strategy. Expect Congress to increase the capital gains tax. The new administration's expected focus on new regulation, increased antitrust oversight, trade and de-emphasizing fossil fuels may also impact the M&A landscape. So may its approach to managing the COVID-19 pandemic. Companies should take these changing dynamics under consideration and assess their acquisition and divestiture strategy in view of their overall corporate strategy and the economic and regulatory climate.

Play the game of resilience and be good at it. Unfortunately, companies cannot rule out the possibility of another protracted lockdown as governments – national, state and local – deal with the COVID-19 pandemic. Companies with mature digital capabilities were more successful in navigating the pandemic with a business built to be run and reach more customers from anywhere. Companies should be thinking about the parts of their business that are or should be hyperscalable and opportunities for opening digital channels, repositioning within the end consumer's value chain, evolving product and service delivery in a contactless world, improving customer engagement continuously, increasing workplace flexibility, reskilling and upskilling employees, and de-risking the supply chain.

Look for opportunities to diversify. Diversification strategies can enhance resilience. For example, power companies can integrate additional renewable generation, low-carbon fuels and natural gas as a "bridge" fuel. They can also:

- Invest in and deploy utility-scale battery storage assets to supplement and support the more intermittent solar and wind generation.
- Transition some infrastructure and assets to support low-carbon fuels such as hydrogen and bio-methane.
- Expand capabilities to plan and manage a future grid that is more "plug and play" than the current one through increased presence of distributed energy resources, a source of decentralized, community-generated energy.
- Make investments supporting the electrification path (smart metering, electric vehicle smart charging and smart cities infrastructures), including feasible, attainable steps.

This is just one sector, but it illustrates ways companies can adapt to the new political headwinds for fossil fuels blowing in Washington.

Summary

As priorities and policy direction clarify over time, companies can firm up their responses to the resulting changes in the business environment. With a new administration and the 117th Congress in place, it is never too early to start considering alternatives to current strategies.

Appendix A

Biden's Agenda for the First 100 Days and Through the 2022 Midterms[5]

Below are likely priorities of President Biden's administration in its first 100 days under eight broad themes. Of course, we do not expect all of these priorities to be accomplished in the first 100 days. But we do expect each of the broad themes to be addressed either through taking definitive action in the first 100 days or laying the foundation for action during the next two years up to the 2022 midterm elections.

1. **Contain the COVID-19 pandemic.** Address the COVID-19 pandemic by sparing no expense in undertaking a number of initiatives based on science to turn the pandemic around:

    - Encourage social distancing and handwashing as the "best defense" until early next year.
    - Issue a national mask mandate for federal lands and in federal buildings.
    - Sustain the policy for free COVID-19 testing but make it more widespread by increasing federal funding for drive-through testing sites.
    - Appoint a "supply commander" to coordinate and direct the distribution of critical equipment and supplies as COVID-19 cases peak at different times in different states and territories.
    - Expand U.S. medical equipment manufacturing.
    - Shore up the distribution and administration of free vaccinations.
    - Rejoin the World Health Organization.
    - Provide funding to protect students, educators and staff by making classroom sizes smaller to enable physically distanced learning, improving school building ventilation, covering costs for PPE and sanitation efforts, providing training for educators, parents and students to help them adapt to new circumstances, and

[5] In preparing this summary, one of the sources we used was the commentary from Mary Moore Hamrick, CEO of Political Quotient Advisors and Senior Fellow of UNC Kenan Institute of Private Enterprises, during a Protiviti webinar, "The First 100 Days of the Biden Administration," on January 13, 2021. Listen to Ms. Hamrick's analysis at https://event.on24.com/wcc/r/2941032/ED1EC5F030BB704344A8CC1783CD93DE.

implementing other steps that would encourage communities to open schools by the end of April so working parents can fully return to their jobs.

- Ensure access to the broadband and technology necessary for learning from home when it's necessary.

2. **Shore up the Affordable Care Act (ACA).** On the broader healthcare front:

   - Reverse executive orders to dismantle the ACA and lay the foundation for working with Congress to build on and enhance it.
   - In building on the ACA, place emphasis on a government-sponsored plan that competes with private insurers and reinstitutes the individual mandate.
   - Lower prescription drug prices by allowing Medicare to negotiate drug prices directly and permitting importation of prescription drugs from abroad.
   - Increase subsidies and coverage by: extending tax credits; limiting consumer healthcare spend on insurance to 8.5% of income to enable participation of lower income households; and allowing undocumented immigrants to buy into the public option, but making them ineligible for subsidies.

3. **Reverse the prior administration's executive orders.** Reverse many other Trump executive orders, particularly those weakening environmental standards and opening federal lands to oil and gas extraction. Sign executive orders to take measures that are within the full authority of the office to initiate progress on significantly reducing GHG emissions:

   - Require public companies to disclose climate risks and GHG emissions in their operations and supply chains.
   - Require aggressive methane pollution limits for new and existing oil and gas operations.
   - Use the federal government procurement system to drive toward 100% clean energy and zero-emissions vehicles.
   - Require carbon sequestration technologies on power plants.
   - Ensure all U.S. government installations, buildings and facilities are more energy efficient and climate-ready.

- Reinstate the United States into the Paris Agreement and engage leaders of major GHG-emitting nations in a summit to join with the United States in adopting more ambitious national pledges to reduce carbon emissions (which, initially, will likely be non-binding).

- Commit that every federally funded infrastructure investment will reduce climate pollution.

- Review the Environmental Protection Agency's final rules that (a) limit the agency's ability to consider scientific research where the raw data is not completely public, and (b) allow a "major source" of hazardous air pollutants to reclassify as an "area source" at any time after acting to limit emissions.

- Require any federal permitting decision to consider the effects of GHG emissions and climate change.

- Bar new oil and gas leases on federal lands and apply the Endangered Species Act and National Monuments Act to limit lands open to development.

Propose legislation to:

- End fossil fuel breaks and begin transitioning away from the oil industry with a goal of net-zero carbon emissions by 2050.

- Create tax incentives for renewables, electric vehicles and energy efficiency.

4. **Pass stimulus, tax and infrastructure legislation.** Request Congress to pass more stimulus legislation to help suffering Americans by giving them the balance of their coveted $2,000 coronavirus payments. It appears that President Biden is planning to take at least a first shot at getting a full 60+ majority vote for the $1.9 trillion bill. The administration will also push for a tax and infrastructure plan, which is part of Biden's "Build Back Better" program, later in the spring.[6] The tax and infrastructure package is expected to focus on:

   - Rebuilding America's crumbling infrastructure, from roads and bridges to green spaces and water systems to electricity grids and universal broadband.

[6] "Biden's One-Two Stimulus Punch," Hans Nichols, Axios, January 8, 2021, www.axios.com/joe-biden-coronavirus-stimulus-congress-142d97d0-8830-4fcc-92a9-7a6f7f103378.html.

- Creating 1 million new jobs in the American auto industry, domestic auto supply chains and auto infrastructure, from parts to materials to electric vehicle charging stations.
- Providing every American city with 100,000 or more residents with high-quality, zero-emissions public transportation options through flexible federal investments.
- Integration with the climate plan, e.g., upgrading four million buildings and weatherizing at least two million homes over the next four years to meet the highest standards of energy efficiency, and upgrading federal vehicles from gas to electric.
- Funding the plan with a $3 trillion tax increase through raising corporate rates to 28%, eliminating the 20% pass-through deduction for qualified businesses, raising individual rates on the "wealthy" (the top 1% or those making more than $400,000), and taxing capital gains at individual rates, or 39.6%, effectively doubling rates.

5. **Undertake focused initiatives to create jobs.** Initiate targeted business initiatives to create millions of manufacturing jobs through tax incentives:[7]
   - Require "Buy American" in federal procurement programs.
   - Retool and revitalize American manufacturers through specific tax incentives (tax credits), tax disincentives (clawbacks of tax incentives if jobs are offshored overseas), additional resources and new financing tools.
   - Invest in R&D and breakthrough technologies – from electric vehicle technology to lightweight materials to 5G and artificial intelligence (AI) – to unleash high-quality job creation in high-value manufacturing and technology.
   - Focus investments to reach all of America's communities and workers across all states and regions with historic investments in communities of color and an emphasis on a "restart package" for small businesses to retain and rehire.
   - Promote onshoring by bringing back critical supply chains to America to reduce dependence on other countries for the production of critical goods (e.g., PPE, drugs) in a crisis.

[7] "The Biden Plan to Ensure the Future is 'Made in All of America' by All of America's Workers," https://joebiden.com/made-in-america/.

6. **Address systemic racism and growing economic inequality.** On the social and racial equity reform front, deliver on Biden campaign promises around addressing systemic racism and growing economic inequality:[8]

- Address the economic effects of the pandemic and the economic distress it has wrought on Black, Hispanic, Asian and Native American communities and businesses by spurring public-private investment through a new small business opportunity plan.
- Reform opportunity zones to fulfill their promise.
- Make a historic commitment to equalizing federal procurement, investing in homeownership and access to affordable housing for Black, Asian, Hispanic and Native American families.
- Achieve equity in management, training and higher education opportunities connected to the jobs of the future, ensuring workers of color are compensated fairly and promoting diversity and accountability in leadership across key positions in all federal agencies.
- Work with Congress to pass police reform legislation, including a nationwide ban on chokeholds, stopping the transfer of weapons of war to police forces, improving oversight and accountability to create a model "use of force" standard, and creation of a national police oversight commission.
- Take bold action to reduce the prison population, create a more just society and make communities safer by (a) eliminating racial, gender and income-based disparities in the criminal justice system, (b) ensuring fair sentences, (c) offering second chances, and (d) reducing violence in communities and supporting survivors of violence.

[8] "Racial Equity: The Biden-Harris Plan to Advance Racial Equity," https://buildbackbetter.gov/priorities/racial-equity/.

7. **Reverse prior administration's decisions on immigration.** Take a number of steps to roll back the Trump era decisions on immigration, including but not limited to:[9]

- Increasing the number of refugees allowed to immigrate to the United States each year.
- Issuing an executive order rescinding the travel ban on almost all travel from some Muslim-majority countries and ordering the Department of Justice to cease defending the ban in court.
- Halting further construction of the border wall.
- Reinstating the Dreamers by having the Department of Homeland Security issue a memorandum reversing the 2017 memorandum that attempted to dismantle DACA.
- Having the Attorney General reverse the so-called Sessions Memo and returning U.S. asylum policy to what it was before the Trump administration.
- Signing an executive order reinstituting enforcement priorities for ICE agents to target illegal aliens with criminal records.
- Signing an executive order rescinding the Trump administration's immigrant detention-expanding directive and banning any new private prison contracts.

8. **Empower workers and unions.** Focus on strengthening worker organizing, collective bargaining and unions:[10]

- Check the abuse of corporate power over labor and hold corporate executives accountable for violations of labor laws.
- Encourage and incentivize unionization and collective bargaining.
- Ensure that workers receive appropriate pay, benefits and workplace protections, e.g., $15/hour federal minimum wage, benefits and protections for "gig economy" workers classified as "independent contractors, etc."

[9] "Biden Might Need Years to Reverse Trump's Immigration Policies on DACA, Asylum, Family Separation, ICE Raids, Private Detention and More," Alan Gomez and Daniel Gonzalez, *USA Today*, November 12, 2020, www.usatoday.com/story/news/nation/2020/11/12/how-biden-reverse-trump-immigration-policies/6228892002/.

[10] "The Biden Plan for Strengthening Worker Organizing, Collective Bargaining and Unions," https://joebiden.com/empowerworkers/.

The above themes do not cover other matters the Biden campaign promised to address. For example, on the geopolitical front, the new administration intends to transition foreign policy to a multilateral approach in dealing with geopolitical tensions with China, North Korea and Russia, and rejoin the 2015 Iran nuclear deal. It also plans to initiate a different approach to trade policy, including renegotiating the Trans-Pacific Partnership as part of a multilateral strategy to restrain China, while also coping with protectionist headwinds. Expect the Federal Communications Commission to be charged with taking a stance on net neutrality. In addition, it is expected that President Biden will sign an executive order saying no member of the administration can influence any Justice Department investigation.

Appendix B

Impact on Select Industry Sectors

There are winners and losers in any change in the White House. Below we comment on the potential implications of a Biden administration on various industry sectors and the 117th Congress. While the House and Senate are both controlled by the Democrats, the majority advantage is razor thin. Not only may this reality of divided government pose limitations on the extent to which progressive legislation can be passed, but it also could pose limitations on the extent to which *any* legislation can be passed.

Below is a summary of possible winners and possible losers from the Biden presidency and Democrat-controlled Congress:

Possible Winners	Possible Losers	Mixed	
• Consumer Products • Construction • Renewables • Telecommunications	• Banking and Capital Markets • Defense • Oil and Gas • Shipping • Technology	• Airlines • Automotive • Healthcare • Industrials	• Insurance • Pharmaceuticals • Utilities

Below is an analysis and supporting commentary discussing each of the above sectors, largely based on reviewing the Biden campaign's policy statements. In our analysis, we did not comment on changes in tax policy, as discussed above, unless there is a unique aspect applicable to a particular sector.

Possible Winners

Consumer Products	An expected fresh round of stimulus to put money in people's pockets and help them cope with the effects of COVID-19 on their lives would certainly help consumers. So would the Biden administration's efforts to contain the pandemic and revive the economy. The president's promise to "follow the science" has left "brick and mortar" retailers fearing the specter of another prolonged lockdown without rent cessation, but Biden has promised he will not recommend such draconian measures and intends to leave such decisions to state and local authorities. With respect to trade policy, Biden has authority to negotiate policy revisions and unilaterally reduce or eliminate tariffs or apply new

	tariffs. While favorable impacts on trade are expected to benefit retailers, trade policy may not prove to be a key component of the Biden economic plan. Industry proponents hoping to turn the clock back on China and reduce uncertainty about tariffs and international trade are likely set up for disappointment. The president noted during his campaign that his approach with China and trade in general will be a multilateral one working closely with U.S. allies. In the U.S., negative views toward China have increased significantly, limiting Biden's options.[11] So, as the song goes, "Two out of three ain't bad!" Consumer products and retail sectors can expect an immediate focus on the pandemic and the economy. But they will likely not see an unraveling of Trump's tariffs on various imported Chinese and European goods anytime soon. It is more realistic to expect a review of tariff policy over time, with adjustments made periodically. As the Biden administration is committed to free but fair trade, reforming the World Trade Organization with new rules against subsidies and other unfair market practices may be a possible play. That, too, will take time. The Biden administration is expected to encourage people to "Buy American," which could impact how and where retailers source their products. In addition, Biden campaigned on a platform supporting a minimum wage hike to $15 an hour and raising taxes on corporations, both of which would hurt retailers and consumer products companies on the top and bottom lines. Other developments that could occur during the Biden presidency include the increasing importance of ESG and social responsibility. In the U.S., sustainability reporting is voluntary and driven by corporations. By contrast, there are strict regulations in Europe. It is possible the Biden administration could apply pressure on this front by forcing transparency in public reporting. Transparency leads to peer comparisons, which leads to pressure for improvements and refinements that can affect supply chains, especially focused on third-party vendors and logistics.
Construction	Biden's economic plan calls for spending $3 trillion on infrastructure and clean energy, financed with higher taxes. As the narrative around crumbling infrastructure continues in the U.S., no one should be surprised if the new administration makes it a priority to propose unprecedented investments in infrastructure (e.g., highways, bridges, public schools). The challenge will be on

[11] "Unfavorable Views of China Reach Historic Highs in Many Countries," Laura Silver, Kat Devlin and Christine Huang, Pew Research Center, October 6, 2020, www.pewresearch.org/global/2020/10/06/unfavorable-views-of-china-reach-historic-highs-in-many-countries/.

	deciding where to spend the money. While these investments would present significant opportunities, players in the sector should expect more accountability for how the allocated funds are spent (e.g., procure American materials, monitor GHG emissions, include minority programs, etc.) and where (e.g., projects located in under-resourced areas to offset racial and economic disparities).
Renewables	As an industry, renewables has been steadily increasing in relevance as technological advancements have continued to drive costs down and currently accounts for over a fifth of U.S. electricity production. In 2019, renewable energy consumption finally exceeded coal[12] as the latter falls out of favor amid sluggish demand, current emissions regulations and redirected capital flows. This growth is expected to intensify under a Biden administration that has a target of carbon-free electricity by 2035. The administration has already appointed renewables industry-favored leaders for the Secretary of Energy, Secretary of Interior and EPA, and there are hopes that a favorable leader to FERC will be appointed, so the game is changing inside the Beltway and the renewables industry is a clear winner. The shift on regulatory emphasis will help pave the way for accelerated permitting of new renewables projects while continuing to regulate heavily carbon-based production activities. It is also expected that the new administration will increase focus on policies and frameworks that favor the industry. This includes reinstating the United States as a member of the Paris Agreement, which further solidifies the focus that America will have on global climate goals. Other more focused policies under the administration could include the continuation of federal tax credits on solar and wind, focusing on trade policies affecting the industry (such as tariffs on solar), and addressing policies that support renewables investments and innovation.
Telecommunications	Under Trump's administration, the Republican-led Federal Communications Commission (FCC) eliminated its authority to impose net neutrality rules. A Biden FCC is expected to reverse this decision by classifying broadband as a Title II telecommunications service and restoring the agency's authority to regulate internet service and its ability to impose net neutrality protections.[13]

[12] "U.S. Renewable Energy Consumption Surpasses Coal For the First Time in Over 130 Years," Mickey Francis, Independent Statistics & Analysis, U.S. Energy Information Administration, May 28, 2020, www.eia.gov/todayinenergy/detail.php?id=43895#:~:text=May%2028%2C%202020-,U.S.%20renewable%20energy%20consumption%20surpasses%20coal%20for,time%20in%20over%20130%20years&text=In%202019%2C%20U.S.%20annual%20energy,(EIA)%20Monthly%20Energy%20Review.

[13] "Update: What Biden's Presidency Could Mean for Tech and Telecom," Casey Egan, S&P Global Market Intelligence, November 9, 2020, www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/update-what-biden-s-presidency-could-mean-for-tech-and-telecom-61062763.

	According to the FCC, over 20 million Americans[14] don't have access to quality broadband internet, with some estimating an even higher number, perhaps even double,[15] because infrastructure isn't in place and the cost is too high – especially in rural areas.[16] Given the importance of broadband connectivity to virtually every aspect of modern life, the Biden administration will likely consider adding a "broadband for all" type program to help reduce the digital divide existing in the United States between large urban areas and rural areas. This issue has become more acute with children forced to take classes from home.

Possible Losers

Banking and Capital Markets	Prior to the Georgia senate race run-offs, many observers noted that President Biden's transition team focused on financial services matters has a track record that, at least on certain key topics, has been unfavorable to the industry.[17] Even absent new rules, the sector was expected to see significant negative impacts just as a result of the likely more aggressive supervisory positions new agency leaders can take. With a Democrat-controlled Congress, President Biden will have more flexibility to select the regulatory agency leaders he really wants. For example, Gary Gensler is Biden's choice for chair of the U.S. Securities and Exchange Commission (SEC), which is a clear risk for financial services firms if that comes to pass. Mr. Gensler was tough on the industry when he ran the Commodity Futures Trading Commission during the Obama administration, and has not been shy about promoting broad and transformative new regulatory requirements across the financial services industry in general. Rohit Chopra, a former McKinsey consultant and FTC Commissioner who worked with Elizabeth Warren in standing up the Consumer Financial Protection Bureau (CFPB), has been identified as the president's choice as director of the CFPB, signaling a clear return to a more aggressive CFPB. The message for the industry is, with

[14] "21 Million Americans Still Lack Broadband Connectivity," Pew Research Center, July 10, 2019, www.pewtrusts.org/en/research-and-analysis/fact-sheets/2019/07/21-million-americans-still-lack-broadband-connectivity.

[15] "There Are Far More Americans Without Broadband Access than Previously Thought," Linda Poon, Bloomberg, February 19, 2020, www.bloomberg.com/news/articles/2020-02-19/where-the-u-s-underestimates-the-digital-divide.

[16] "Give Everybody the Internet," Emily Stewart, Vox, September 10, 2020, www.vox.com/recode/2020/9/10/21426810/internet-access-covid-19-chattanooga-municipal-broadband-fcc.

[17] "Wall Street Wants to Be Sure Biden Can Keep Warren's Army at Bay," Robert Schmidt, Jesse Hamilton, and Yalman Onaran, Bloomberg, November 7, 2020, www.bloomberg.com/news/articles/2020-11-07/wall-street-wants-to-be-sure-biden-can-keep-warren-s-army-at-bay?sref=lUrmNyXw.

	Democrats controlling the Senate, Biden will likely get who he wants for these key regulatory roles. Also and with the Democrats controlling the Senate agenda, the industry can expect to see a lot more congressional scrutiny as well as potential investigations that are unfavorable to the industry. Industry executives can expect a lot more face time in hearings called by senators such as Elizabeth Warren, Sherrod Brown and Maxine Waters, all of whom have a long adversarial history with the financial services industry and the latter two of whom will now serve as the Chairs of the Senate Banking and House Financial Services Committees, respectively. Trump era enforcement priorities, including anti-money laundering, sanctions, market and consumer abuse, internal controls, and cybersecurity, are likely to continue. Securities market manipulation and consumer compliance will also be high priorities of the Biden administration, with fair lending compliance integral to the administration's efforts to address racial inequity. The new administration's views on innovation appear mixed and include reports that the Biden administration may be willing to advance policies related to cryptocurrency at the same time it looks to roll back the OCC's recent redefinition of banking. The new administration is also expected to invest more in AI, but for financial services the use of AI will be carefully considered against the potential consumer impact. As it relates to rulemaking and enforcement postures towards fintech firms, Democratic leadership will likely face a balancing act between the desire to foster competition with larger and more entrenched firms they collectively think of as "Wall Street" and the ongoing concerns about how to ensure fintech firms are appropriately supervised so as not to be able to take advantage of consumers, particularly those who are unbanked or underbanked. Beyond the above, the question arises as to whether the industry can expect a dramatic or immediate flood of new FSI-focused legislation as a result of the Democrats' sweep. We think this is unlikely for a number of reasons. The Biden administration and Democratic leaders in Congress thus far seem committed to try to win at least some level of Republican support for their key priorities and are not inclined to immediately eliminate the filibuster, meaning most major regulatory changes would require at least 10 Republican votes. Also – and in contrast to the Great Financial Crisis – there is a very long list of other legislative priorities sitting above financial services regulatory reform, including, to name just a

	few, a robust COVID response, infrastructure and clean energy, combatting inequality, and global trade. Most of the other impacts for financial services are macroeconomic in nature. For example, Biden's immediate policy and spending initiatives will drive reflation trades and potentially make inflation risks much more relevant as increased fiscal spending continues to lift asset prices (though many financial services participants would certainly welcome the higher interest rates that would likely result). The threat of higher taxes imposes a drag on earnings growth looking to the future, particularly as many financial services segments benefitted more significantly than other industries from the Trump era corporate tax cuts. Increased state and local fiscal support, along with extended support to small businesses and harder hit industries, will further reduce credit loss exposure and should cut municipal bond yields, though tax changes could offset this impact. Retail credit trades generally will likewise benefit from more generous unemployment support, which reduces the risk of defaults. In summary, the Biden presidency portends a more challenging regulatory environment for financial services than a second Trump term would have, and this is exacerbated further by Democratic control of the Senate.
Defense	Referring to China and Russia as "near-peer" powers, the president said as a candidate that he doesn't foresee major reductions in the U.S. defense spending as the military focuses on the potential threat each of these two countries presents. However, it is reasonable to expect that internal pressure from the progressive wing of the Democratic party to invest in domestic infrastructure, climate change and other priorities, combined with the effects on the economy wrought by the COVID-19 pandemic, may ultimately result in defense spending cuts. Also, a Biden defense budget may look different, with investments in unmanned capacity, cyber warfare and IT, and preparations for a future pandemic.[18] With respect to the Space Force, President Biden has no plans for any structural changes. The Democratic Party national platform supports continuity within NASA and the Space Force.[19]
Oil and Gas	The market has already dictated many of the things that Democrats favor, as investor dollars have been diverted swiftly from the industry in the face of poor market sentiment due to outsized

[18] "Biden not Planning Defense Cuts, but They May Come Anyway," Joe Gould, *Defense News*, September 11, 2020, www.defensenews.com/congress/2020/09/11/biden-not-planning-defense-cuts-but-they-may-come-anyway/.

[19] "Biden likely to stay course on Space Force and defense investments," Sandra Erwin, *SpaceNews*, November 20, 2020, https://spacenews.com/biden-likely-to-stay-course-on-space-force-and-defense-investments/.

	spending relative to cash flow expectations and ESG performance concerns. Pre-COVID-19, oil and gas companies had already decreased their capital budgets in attempts to operate within cash flows to attract more outside capital. ESG-related metrics have also continued to elevate in importance in the boardroom and C-suite given the increased focus from large institutional investors, as this industry has been perceived by the public as irresponsible to the environment. To top it off, industry consolidation has been viewed as imminent over the last several years, and that trend has not only recently come to life[20] but is expected to intensify given the demand destruction and overall impact of the pandemic. With that context, the Biden administration is expected to increase regulatory oversight of the industry. Obtaining permits for new pipeline projects will likely be more difficult and drilling on federal lands is expected to cease. Given Biden's promise to rejoin the Paris Agreement, some expect the administration to cap U.S. output within an 11 to 11.5 million barrels a day range.[21] Some additional expected actions include: • Requiring aggressive methane pollution limits for new and existing oil and gas operations. • Demanding a worldwide ban on fossil fuel subsidies. • Pursuing a global moratorium on offshore drilling in the Arctic and reestablishing climate change as a priority for the Arctic Council. The irony is that the additional emissions-related policies can actually be viewed as a positive to the industry because the general public perception is that the Trump administration's cuts on emissions regulations and withdrawal from the Paris Agreement allowed the industry to do whatever it wanted. But that hasn't been the case, as the industry has already been making significant investments in new technologies to decrease and capture GHG and has altered drilling programs to decrease emissions from flaring associated gas. Accordingly, the public sentiment and resulting investor confidence in the industry can possibly increase under stricter policies that promote the belief that organizations

[20] "Oil Industry Consolidation Heats Up as Jobs Disappear," David Blackmon, *Forbes*, October 5, 2020, www.forbes.com/sites/davidblackmon/2020/10/05/two-new-reports-oil-industry-mergers-heat-up-as-jobs-disappear/?sh=3f85be5a3223.

[21] "Potential Impacts on Oil Industry of a Biden Administration," Dan Eberhart, *Forbes*, October 15, 2020, www.forbes.com/sites/daneberhart/2020/10/15/potential-impacts-on-oil-industry-of-a-biden-administration/?sh=23b4e9a910ee.

	producing under more stringent standards are cleaner operators. In essence, industry players receive a social license to operate. As the Biden administration's policies reduce domestic production, it will be interesting to observe foreign policy developments with respect to dealing with Trump's sanctions on Iranian and Venezuelan production exports. A pro-Iran policy could result in reduced U.S. influence with OPEC and Saudi Arabia. All of these developments serve as an accelerant of the industry's response to market forces. As the industry undergoes significant change and the market has already put a clamp down on the industry and is pushing an ESG focus, it might temper what the Biden administration actually needs to put in place.
Shipping	Shipping is an industry that thrives on global supply chains and low trading barriers for goods. The Biden administration's emphasis on "Buy American" and bringing back critical supply chains to America to reduce dependence on foreign countries in times of crisis is not a positive indicator for the industry. Neither is the likelihood of reduced crude exports due to more stringent permitting for U.S. pipelines, decreased fracking on federal lands, regulatory limits on methane emissions and flaring, and ceding oil market share to Saudi Arabia and OPEC. The new administration will also advocate the current law mandate that only U.S. flag vessels carry cargo between U.S. ports. Thus, the industry as a whole could be looking at a reduction of American imports. Adding to these considerations is the potential impact of regulations and initiatives related to climate change and considering the Biden appointees to date who are focused on green energy solutions.
Technology	The tech giants have become a lightning rod for both political parties and for different reasons. Biden's campaign asserted that the large technology companies have "not only abused their power, but misled the American people, damaged our democracy and evaded any form of responsibility."[22] Now that Democrats control the House and the Senate, the industry can expect changes to come from the likely nomination of more liberal leadership at the FTC, FCC, DOJ and other agencies, as well as major congressional committees being chaired by Democrats. Several industry-related issues are likely to come under scrutiny: *Antitrust Legislation:* High on the agenda are changes to antitrust law that make it easier to block mergers or force companies to modify how they do business. Expected to lead the Senate Antitrust

[22] "Big Tech Makes Inroads with the Biden Campaign." David McCabe and Kenneth P. Vogel, *New York Times*, August 10, 2020, www.nytimes.com/2020/08/10/technology/big-tech-biden-campaign.html.

	committee, Senator Amy Klobuchar has introduced legislation in the past that would make it easier to prosecute big tech companies, or any company with greater than 50% market share, under antitrust law by shifting the burden of proof from the government to companies in certain cases. In addition, Subcommittee Chair David Cicilline plans to, among other things, expand the FTC's authority to collect data from companies to assess their market power. *Privacy Legislation:* Expect the Democrats to push to bring U.S. privacy rules closer to standards adopted in Europe and by the state of California, giving consumers the right to know how their personal information is collected and used. *Content Moderation:* There is interest in forcing tech companies to more closely moderate content on their respective sites. Interestingly, Amazon has stopped hosting Parler given content moderation issues and Apple has removed Parler from its app store. *Section 230:* The Democrats are expected to shift the debate around Section 230 of the 1996 Communications Decency Act, which shields internet companies from lawsuits over content posted by users on their sites, from whether it allows tech companies to censor conservative views to requiring internet companies to be more aggressive in moderating political speech to weed out disinformation. *Net Neutrality and Broadband Access:* The FCC will be charged with taking a stance on net neutrality (an Obama era reform that sought to prevent internet service providers from favoring some internet traffic over others, e.g., users and businesses can't pay for a "fast lane" or to slow down another website's traffic). This issue has become even more important during remote work and distance learning due to the pandemic, especially in rural areas. *Status of Gig Workers:* The Labor Department will face questions about whether gig workers should be classified as "employees" under federal law, which will affect companies like Uber, Lyft, DoorDash and Instacart. *H-1B Restrictions:* The technology industry has long championed expanding the H-1B Visa program to recruit highly skilled workers from overseas who are not available domestically in the volume required. The Biden administration is expected to reform the Trump administration's H-1B system and work toward eliminating limitations on the number of green cards the government issues each year. However, with control of both chambers of Congress, Democrats could pursue more comprehensive reforms, like the path to citizenship for "Dreamers," as well as expand high-skilled immigration and fast-track permanent residence for people on

	student visas in STEM fields, similar to the policies pursued in 2013 but failed in what was then a Republican-controlled House. The above topics will command the most attention in the industry. Other topics include tackling issues of perceived discriminatory algorithms and biased facial recognition technology, regulating digital political ads, and considering the establishment of a new federal agency to regulate tech companies.

Mixed

Airlines	The airline industry will certainly experience greater demand once the pandemic is under control. The pace of recovery is dependent on the efficacy of the vaccines and their distribution and administration as well as the percent of the population that is vaccinated. The incoming administration's focus on public health protocols, including mandating wearing of masks for commercial flights (which reinforces what the airlines are doing anyway) and the vaccination process may give this initiative a shot in the arm. The more effective the process, the greater the industry's recovery prospects to the ultimate new normal. Congress' December stimulus bill includes $15 billion in payroll protection for airlines. Like its predecessor, delivery of the stimulus is predicated on a precondition of not involuntarily furloughing employees during the protection period. In addition, this latest bill sets another precondition for bringing employees previously laid off back to work by the end of March. That's 32,000 employees for the whole industry. As airlines await specifics from Treasury, the challenges in bringing workers back from furlough and ensuring they will have something to do are more than meets the eye. Further, when the protection ends, everyone is sent home again.[23] Time will tell whether the Biden administration and Congress will grant more stimulus funding when the $15 billion runs out. In addition, with aviation accounting for nearly 2% of GHG emissions, the Biden administration is expected to target these emissions by incentivizing the creation of sustainable fuels for aircraft and fostering measures such as air traffic pattern management.
Automotive	See comments below under "Industrials," as they apply also to the automotive industry. In addition, the Biden administration will restore the electric vehicle tax credit to incentivize the purchase of these vehicles, targeting middle class consumers and vehicles made in America. These tax credits for electric vehicles would not only

[23] "Well-Intended Stimulus Will Help Airline Employees, But Not For Long," Ben Baldanza, *Forbes*, December 23, 2020, www.forbes.com/sites/benbaldanza/2020/12/23/well-intended-stimulus-helps-airline-employees-but-not-for-long/?sh=877912627d6c.

	help newer OEMs like Tesla, Lucid and Nikola, but also traditional OEMs like GM, Ford and Volkswagen, all of which are investing billions in alternate fuel vehicles. To address a major obstacle to more expansive deployment of electric vehicles, the new administration intends to work with states and cities to deploy more than 500,000 new public charging outlets by 2030, which is quite aggressive when one considers there are only 27,000 such outlets at the present time. A new fuel economy standard will be set that goes beyond what the Obama administration had in place. Potentially tougher emissions standards on traditional gas-burning vehicles present a downside for the industry.[24]
Healthcare	No doubt, the new administration's top priority on the healthcare front will be containing the spread of COVID-19, with an emphasis on letting science play more of a central role in setting policy, developing and delivering vaccines, and preparing for future pandemics. Since the pandemic began, Democrats have been highly critical of the COVID-19 data collection process implemented by the Trump administration. The new administration is expected to centralize these systems for use by the CDC and CMS. Additionally, as part of a focus on health equity, the Biden administration's COVID-19 response will include addressing racial health disparities. The Biden administration will protect the Affordable Care Act (ACA) and resist attempts by the progressive left to adopt a government-funded single payer program that would scrap private health insurance. The administration plans to bring back the individual mandate and, if successful, there will be a penalty for not being covered under health insurance. The administration will build on the ACA by giving Americans more choice through a public health insurance option similar to Medicare that would be available on the ACA insurance exchanges and an expansion of eligibility for Medicare and Medicaid recipients, e.g., reduce the enrollment age for Medicare from 65 to 60. In addition, there may be efforts to support taxpayer funded abortions, make healthcare options more readily available for immigrants, extend access to mental health care, and enact legislation to cease surprise medical billings, particularly from out-of-network providers. Finally, the Biden administration is expected to propose directing the HHS to establish an independent review board to assess the value of specialty drugs. The goal is to have the board recommend a

[24] "Factbox: What impact would a Biden presidency have on the auto industry?," Tina Bellon and Paul Lienart, Reuters, October 30, 2020, at www.reuters.com/article/us-usa-election-autos-biden-factbox/factbox-what-impact-would-a-biden-presidency-have-on-the-auto-industry-idUSKBN27F2EX.

	reasonable price for certain drugs, which will determine what Medicare (and any public option) will pay. See additional related discussion in the Pharmaceuticals section below.
Industrials	The new administration is unlikely to stem the trend over recent months toward compressing global supply chains through reshoring and near-shoring, with an objective of reducing dependence on other countries for critical materials and components in future crises. The last two elections have been won and lost in the rust belt states, and failure to bolster and strengthen American manufacturing and innovation with a focus on jobs could impact the presidential election in this region yet again in 2024. The Biden campaign dismissed Trump's "Made in America" mantra – largely because foreign investment outpaced domestic investment and American manufacturing exports have declined – and embraced its own mantra, "Made in All of America." Accordingly, the new administration is expected to support policies that will build a strong industrial base and small-business-led supply chains that will retain and create millions of jobs across the country. These policies will encourage investing in manufacturing and technology to make in America many products currently being imported. Industrial revitalization will be driven by taxpayer-funded government procurement of American products to support American jobs, reduced dependence on China and other countries on critical items, tightening up "Made in America" advertising, and multilateral efforts with allies to address trade abuses that put American products at a disadvantage. An important part of this effort will be to enact legislation that would increase worker bargaining power to drive up wages and secure stronger benefits. The president also promised during the campaign to enact a national strategy around developing a low-carbon manufacturing sector in every state with accelerating cutting-edge technologies and reskilled/upskilled workers. The plan would make available tax credits and subsidies to businesses to upgrade equipment and processes, invest in new or expanded facilities, and deploy low-carbon technologies.
Insurance	As discussed above, healthcare payers stand to gain from a strong focus on bringing the COVID-19 pandemic to an end. More importantly, Biden's proposal to lower the Medicare eligibility age to 60 would pass a high-risk group in private insurance pools into the hands of the government and ultimately the taxpayers. The president's rationale behind the move is that it would lower the costs of Medicare by bringing on a *lower*-risk group into that pool of insureds. In addition, payers can take solace in that Biden intends

	to resist calls from the progressive wing of his party for a single-payer model, which would do away with private insurance, and focus on shoring up the Affordable Care Act. As for the life and annuity sector, Biden's SEC chair could introduce tougher customer-care standards on the sale of financial products related to retirement savings.[25] In addition, the trends over the last four years toward a "consumer mindset" rooted in transparency is expected to continue, resulting in digital comparisons of products and their benefits becoming a requirement. As COVID-19 has forced the industry into virtual selling, regulators will likely require auditability and transparency over how consumers are treated during the virtual process.[26] As for property and casualty (P&C) insurers, the change in the political landscape can have a significant impact in several ways:[27] • As Trump's tax cuts enabled the industry to be more competitive with foreign insurers, Biden's focus on raising corporate taxes could unlevel that playing field. • As Biden tackles climate change with a package expected to focus on mitigation, energy and infrastructure, look for the industry to keep a keen eye on how that package affects key industries with the related impact on underwriting appetite and risk-based pricing. • Once the pandemic began last year, P&C providers resisted demands for business interruption claims stemming from COVID-19 lockdowns, asserting that such losses were not anticipated in their policies. As the industry continues in "war footing" mode, it will be interesting to see whether it can garner support in a Democrat-controlled Congress for its position that pandemic risk is not insurable. • On a positive note, the political risk insurance market may get a boost with the change in direction with an opportunity to offer credit and political risk insurance to manage geopolitical threats to business.

[25] "Biden May Step Up Regulations For U.S. Insurers, Bolster Affordable Care Act in Pandemic Fight," Antonita Madonna, Reuters, November 13, 2020, www.reuters.com/article/bc-finreg-biden-administration-pandemic/biden-may-step-up-regulations-for-u-s-insurers-bolster-affordable-care-act-in-pandemic-fight-idUSKBN27T2I8.

[26] "What to Expect From the Life Insurance Industry in 2021," Bill Unrue, WealthManagement.com, December 22, 2020, www.wealthmanagement.com/insurance/what-expect-life-insurance-industry-2021.

[27] " What P/C Insurance Industry Can Expect if Biden Wins or if Trump is Re-Elected," Andrew G. Simpson, *Insurance Journal*, October 2020, www.insurancejournal.com/news/national/2020/10/19/586992.htm.

Pharmaceuticals	In the near term, the industry should benefit from the Biden administration's proposed pandemic response, doubling down on coronavirus testing, focusing on the production, distribution and administration of hundreds of millions of vaccine doses, and stockpiling essential items to reduce reliance on other countries. However, from a bigger picture perspective, the new administration is expected to take an aggressive approach to drug pricing reform on a number of fronts, perhaps leveraging the 2019 Prescription Drug Pricing Reduction Act from the Senate Finance Committee as a starting point. First, it will give Medicare the power to negotiate prescription drug prices. Second, it will seek to limit launch pricing for new drugs facing no competition, limit price increases for all brand, biotech and abusively priced generic drugs to the general inflation rate, foster competition by allowing consumers to buy prescription drugs from other countries, and improve the supply of quality generic drugs. In addition, it will seek to end the tax deduction taken by pharmaceuticals for advertising prescription drugs, as these marketing costs are seen as a driver of escalating prices. These measures are likely to create headwinds which will have a larger and longer-term impact on this sector.
Utilities	As discussed earlier for the renewables sector, market forces are already driving power companies to use renewables and cheap natural gas for electricity generation. The new administration's energy platform calls for the U.S. to reach net zero carbon emissions by 2050. But the majority of utilities in the U.S. have already made this pledge.[28] Any efforts to accelerate decarbonization of power generation will likely consider the importance of reliability, as recurring massive blackouts will lose the confidence of the electorate, and that means lost votes. It is expected that the administration will limit natural gas production by restricting drilling on federal land. It will also evaluate issues affecting the future of nuclear energy as a viable low- and zero-carbon energy alternative, including cost, safety and waste disposal systems. Utilities that have embraced a swifter transition to renewables will continue to reap rewards in the market under the Biden administration, while those that have not yet started the transition or are further away from their end goals might be strategically disadvantaged should there be an externally driven push to accelerate their progress.

[28] "What a Biden Presidency Could Mean for Utilities," Charles Fishman, Morningstar, October 16, 2020, www.morningstar.com/articles/1004692/what-a-biden-presidency-could-mean-for-utilities.

About Protiviti

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