



(UBS)

# Washington Weekly: President Trump's first 100 days in office

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**President Trump marked his first 100 days in office this week. The Trump administration has hit the ground running with a flood of executive actions and tariff announcements. John Nolan and the Governmental Affairs US team takes a look at this, and much more in the latest Washington Weekly report.**

**Reciprocal Discussions.** We are now 23 days into the 90-day pause that the Trump administration put on "reciprocal" tariffs. The Trump administration has been engaged in negotiations with various trading partners to test the waters on what they're willing to do in order to have the US reduce or even eliminate the often-punitive "reciprocal" tariffs. Since tariff levels often are already low with many of these trading partners, the Trump administration is also looking at concessions in other areas, including the reduction of non-tariff barriers, commitments on investments in the US, and measures to pressure China (limits on trade content from China and the imposition of controls on certain exports and/or investments from China). These are all thorny and complicated issues that need to be addressed across a variety of discrete bilateral negotiations. *Limited progress has been made in these bilateral discussions to date, and we expect this process to last longer than the allotted 90 days.*

**China.** The US continues to be locked in a trade war with China. Although the Trump administration at times has said that there have been meaningful high-level interactions between the two sides, that does not appear to be the case. The Trump administration is interested in de-escalating, but neither side wants to blink first. Treasury Secretary Scott Bessent has argued that China is more vulnerable because it exports many more goods to the US than the US does to China. However, the public body language from China is mostly defiant. Both sides recognize that the current high level of tariffs is unsustainable (145% tariffs on most imports from China and 125% tariffs on most US imports), but even reducing tariff levels to half of current levels would continue to block trade. A mutual reduction in tariffs is possible, but China will want a dramatic reduction in current tariff levels that go further than where the Trump administration is currently willing

to go. It's unclear what sort of meaningful concessions the Trump administration could get in return, though the future of TikTok continues to hover in the background. The Senate this week approved former Senator David Perdue to be the US Ambassador to China, so the Trump administration at least will soon have its person in Beijing. *There needs to be de-escalation, but the standoff has no clear off-ramp at this point.*

**One Big Beautiful Bill.** The House this week started crafting a comprehensive tax and spending bill that likely will be the main thrust of President Trump's legislative accomplishments before the mid-term elections next year. Republicans are trying to advance the bill via the expedited but complicated procedure of reconciliation, which allows a bill to advance in the Senate with a simple majority. The bill will include an extension of the 2017 individual tax cuts, other tax provisions, and additional funding for administration priorities (including immigration enforcement and defense). There is a scramble to offset the high cost of the tax cuts and additional spending (the extension of the tax cuts will cost an estimated \$4.5 trillion over 10 years) with large spending cuts (including contentious changes to Medicaid) and tax revenue raisers. Eleven House committees have jurisdiction over this bill. Seven of them passed their parts out of committee this week while the remaining four committees will have the next few weeks to advance their bills. The goal is to pass this overall bill out of the full House before Memorial Day. Efforts then will move to the Senate where the reconciliation process is more complicated than in the House. *Get ready for a busy few months that will be very important for President Trump and his legacy.*

**Debt Limit.** President Trump would like to include an increase to the debt ceiling as part of the previously discussed reconciliation bill. This is important for him tactically because approving it on a stand-alone basis (instead of part of reconciliation) would require him to make concessions to Democrats to get their support. There is some fluidity here as lawmakers are awaiting Treasury Secretary Bessent to announce the estimated date at which Congress must act in order to avoid default on US debt obligations. This date, known as the "X date," will serve as a de facto deadline for Congress to act. Republican leadership will use this date to help drive passage of the larger reconciliation bill. *Pay attention to news about the debt ceiling as it is important to the Trump agenda.*

For more, see the latest [Washington Weekly](#).

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