

# Kamala Harris

## Presidential Outlook





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# Introduction

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**J**ust 107 days before the US presidential elections, Vice President Kamala Harris entered the race for the White House. Now, Harris is running at full speed to spread her campaign messages and gain voters' support after President Joe Biden dropped out of the race.

Capstone analysts are matching Harris' pace, diving into her actions and statements as VP, senator, California attorney general, and district attorney to uncover where the Harris administration would differ from Biden's and what shifts our investor and corporate clients should prepare for.

**Antitrust:** Harris would likely take a more accommodative approach on antitrust issues than the Biden administration, depending on who is heading the Federal Trade Commission (FTC), Federal Communications Commission (FCC), and US Department of Justice (DOJ). If Republicans control the Senate, Harris will likely nominate more moderate policymakers, leading to a more accommodative antitrust environment.

**Defense and Foreign Policy:** A Harris administration's policy positions would hew closely to Biden's—namely support for US allies, including Ukraine against Russia, and continued de-risking policies toward China. Biden's replacement at the top of the ticket affords Democrats an opportunity to reset with the party's progressive wing on a major area of contention—the war in Gaza—but we expect the tone to be different but policy to remain consistent

**Energy:** A Harris administration would maintain President Biden's climate momentum

by continuing to implement the Inflation Reduction Act, managing the role of China in US decarbonization efforts, and expanding environmental policies in line with Democratic party priorities. We expect Harris would govern as she campaigns, being less vocal about progressive policy ideals and focusing more on building on the Biden-Harris record.

**Financial Services:** A Harris administration would do little to change the regulatory outlook for financial services. Democrats would persist with current rulemaking including maintaining the roadmap on bank reform efforts, despite the potential for more negative campaign rhetoric. Harris would likely be more open to technological innovation, benefiting fintechs.

**Healthcare:** While Vice President Harris' views on healthcare closely align with those of President Biden, they diverge in Harris' even greater deference to labor unions—if her recent campaign strategy is any indication—and increased focus on women's health. Despite Harris' past support for Medicare for All (M4A), albeit with a Medicare Advantage spin, we do not expect this to become a major priority for her administration.

**TMT:** Harris would adopt a more tech-forward policy focus than President Biden. With her California background, she is well-versed in tech issues, including social media and the gig economy. Once in office, we expect Harris to accelerate artificial intelligence (AI) initiatives, take a softer stance on tech mergers, while still aligning with the Biden administration's overall approach to the sector.

# Harris Administration Likely to Promote Competition, Broad Antitrust Actions; FTC, FCC, and DOJ Top Posts Will All be in Play in 2025

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## WHAT HARRIS HAS SAID ABOUT ANTITRUST POLICY

There is little on record of Vice President Harris commenting on competition policy, and she has avoided making firm commitments to enforcing antitrust laws, even when she asked about this issue when she was attorney general of California. However, Harris said, “Bad businesses are not good for good businesses,” which makes us believe she would be more than willing to allow Department of Justice (DOJ) and the Federal Trade Commission (FTC) to go after bad actors for violations whether it is a merger that would lead to too much consolidation in a market or companies engaged in price collusion. She is also openly pro-union and wants to build up the middle class.

However, Harris may not be as aggressive on antitrust policy as the Biden administration has been due to her ties to Big Tech in Silicon Valley, and she may be less willing to call for the breakup of companies such as Alphabet Inc. (GOOG) or Meta Platforms Inc. (META). We believe she will likely appoint individuals to the FTC and DOJ who will pursue antitrust cases that depend less on speculative theories and more on legal theories that have proved to be successful in past antitrust cases.

## HOW HARRIS DIFFERS FROM BIDEN

A Harris administration will likely take a different course with nominations and appointments than the Biden administration. Biden’s courtship of progressives started during the 2020 presidential campaign when he pledged to back progressive policy agendas in his administration, including climate change. Progressives expected President Biden to thank them for their support with some political appointments at key agencies, which is what happened. While not all were confirmed, enough nominees made it through the Senate to help steer the administration in a more progressive direction. Khan’s nomination to the FTC and elevation to chair is perhaps one of the most noteworthy positions where Biden successfully got a progressive confirmed even though Republicans controlled the Senate at the time.

Harris will likely be less beholden to the progressive wing of the Democratic Party. The run for progressives will likely come to a halt in 2025 if the Senate ends up under Republican control. They learned from the Lina Khan appointment and confirmation when they failed to act in unison to block a nominee they viewed as too progressive. Republicans changed course

after this and successfully stalled Gigi Sohn's nomination to fill the fifth seat on the Federal Communications Commission (FCC) until she voluntarily withdrew.

FCC Chair Jessica Rosenworcel's term ends in June 2025 and she could decide to leave the commission after serving on it since 2012. Given the FCC's proactive role in approving transactions in the broadcast media and telecommunications industry and the importance of the chair in setting the agenda for the commission, we view this position as critical in setting competition policy for companies under its authority, including SES SA (SESG on Euronext Paris) Intelsat SA.

There also is speculation that AAG Jonathan Kanter could leave his post at the end of the Biden administration for the private sector. Kanter has been running antitrust for DOJ since 2021, which is longer than the division head of antitrust typically serves.

## KEY PRIORITIES FOR A DEMOCRATIC ADMINISTRATION

After taking a hard look at consolidation across a number of industries, Democrats have largely blamed consolidation for the erosion in worker protections, inflation at the consumer level, and an excessive level of wealth concentration into the hands of a very small number of people. Democrats want to see more competition throughout the economy, arguing

it leads to higher wages, lower prices, and more opportunities for small businesses. We believe a Harris White House will continue to pursue antitrust cases that meet these goals.

In addition, a Democratic administration will continue to promote competition by blocking transactions that lead to too much consolidation in a particular market. Industries where there is particular sensitivity toward consolidation are those that tend to be either consumer-facing, such as the retail sector, or the workers are members of unions opposed to consolidation. Examples of recent transactions where organized labor has opposed a merger include JetBlue Corp.'s (JBLU) acquisition of Spirit Airlines Inc. (SAVE) and Kroger Co.'s (KR) acquisition of Albertsons Companies, Inc. (ACI). Regulators blocked both transactions at least due to the impact on organized labor, as well as the negative effect the transactions would have on consumers.

Under a Harris administration, action will likely continue on the recent antitrust complaint seeking to block Tempur Sealy International Inc.'s (TPX) proposed \$4 billion takeover of Mattress Firm, which all five FTC commissioners supported. The takeover apparently is being blocked because internal Tempur Sealy documents suggest the transaction is anti-competitive. We believe in this instance, Harris will support allowing regulators at the FTC and DOJ to continue their investigations almost without restriction, especially if more moderate individuals are selected to fill vacancies over at the FTC, FCC, and DOJ and are confirmed by a Republican Senate.

# Defense and Foreign Policy: Expect Consistency on Major Geopolitical Fault Lines; An Opportunity to Reset with Voters on Israel/Gaza

While a President Kamala Harris would likely have a similar approach to foreign policy and defense issues as the current Biden administration, her candidacy affords the Democratic ticket two specific advantages—a tonal reset on the war in Gaza, which could restore support among some of the more progressive Democratic voters, and a distance from the chaotic evacuation from Afghanistan, which would likely have dogged President Biden should he have stayed in the race. On the top geopolitical issues of the day, from China to the wars in Ukraine and Israel, however, we expect a continuation of generally centrist Democratic policy.

## WHAT HARRIS HAS SAID ABOUT DEFENSE AND FOREIGN POLICY

**On China:** Vice President Harris has represented the White House and US policy many times, both on trips to the Indo-Pacific and at key international forums such as the 2023 US-Association of Southeast Asian Nations (ASEAN) summit and visits to the high-profile Munich Security Conference. During these visits and at other times, Vice President Harris has spoken

forcefully about the need to defend US allies against perceived Chinese aggression and to defend US interests from competition with and threats from China. For example, during a 2022 visit to the Philippines, Harris promised to support the Philippines against Chinese “intimidation and coercion.”

We expect US policy toward China to remain steady, *ceteris paribus*, from the Biden to a Harris presidency. This includes not only the aforementioned support for US allies in the Indo-Pacific but also the continued intent to balance aggressive policies to deter Chinese economic influence both domestically and globally while seeking to maintain stability geopolitically and avoid direct confrontation.

**On NATO and Transatlantic Relations:** At the 2024 Munich Security Conference, Vice President Harris defended the US and North Atlantic Treaty Organization’s (NATO) support for Ukraine and the importance of NATO as an alliance. Her remarks included the following: “NATO is central to our approach to global security. For President Biden and me, our sacred commitment to NATO remains ironclad. And I do believe, as I have said before, NATO is the greatest military alliance the world has ever known.”



For its part, the Russian government is likely hoping that former President Trump wins the election, particularly as Capstone believes that Trump would quickly seek to resolve the conflict, including by suspending military aid to Ukraine and pressuring Kiev to the negotiating table. That said, the immediate Russian response to Kamala Harris at the top of the Democratic ticket was fairly neutral policy wise while also trying to minimize her role as a geopolitical player. Indeed, Kremlin spokesperson Dmitry Peskov said shortly after it became clear that she would likely be the nominee that, “At the moment, we cannot assess the potential candidacy of Ms. Harris from the point of view of our bilateral relations because so far her contribution to our bilateral relations has not been noticed...There were statements that were replete with rhetoric quite unfriendly towards our country, but her actions in relations to bilateral relations come under neither a plus nor a minus sign.”

We expect a President Harris to maintain US commitments to NATO and seek to strengthen NATO and broader transatlantic ties, particularly should the war in Ukraine extend for a significant period into the next administration. We expect her to remain critical of Russian President Vladimir Putin and seek to push back against attempts to make further gains, both militarily and politically, into Europe.

## WHERE HARRIS DIFFERS FROM BIDEN

**Creating rhetorical distance on the war in Gaza:** One area where we have already observed presidential candidate Harris seek to create daylight between her and the Biden administration has been on the war in Gaza and US policy towards Israel. In addition to likely genuine concern for both Palestinians and Israelis killed, injured, and displaced by the conflict since October 7, 2023, because Harris herself is not closely associated with US-Israel policy, there is a political opportunity to try to bring progressive Democrats frustrated with President Biden on this issue back on side before the election.

For example, Harris used Israeli Prime Minister Netanyahu’s recent visit to Washington as an opportunity to let her criticism of how Israel has pursued the war in Gaza be known. In addition to joining many members of the Democratic party and not attending Netanyahu’s speech to Congress on July 24th, she also made a carefully parsed statement after meeting with him the following day. Among her comments included, “I’ve said it many times, but it bears repeating: Israel has a right to defend itself, but how it does so matters.”



To be sure, we believe that a Harris presidency would not actually pursue a different policy towards Israel, particularly in terms of support for Israeli defense and national security, including the sale of key weapons. However, heading into the election and likely should she win the presidency, Kamala Harris may take a harder approach with Israel as it relates to the war in Gaza and may be more willing to criticize the government over the conditions facing Palestinians.

## KEY PRIORITIES FOR ANY DEMOCRATIC ADMINISTRATION

### **Challenging Chinese economic competition**

**globally:** We expect a Harris administration to build on the efforts of the Biden administration to push back against China's Belt and Road initiative, which has given the country considerable economic footholds and as a result political influence in a lot of the developing world. One example is the Partnership for Global Infrastructure and Investment (PGI)—the G7 initiative in low- and middle-income countries. We also expect a Harris administration to continue on the path of the Biden administration in terms of using executive action to continue the process of “de-risking” the US economy, including through the continued implementation—and potentially even the expansion of—outbound investment restrictions. Export controls, sanctions and other tools will also continue to be expanded to address the risks of Chinese dominance in areas of critical and emerging technology.

### **Defending Ukraine, Strengthening NATO:**

Democrats remain committed to the defense of Ukraine. This is not only to support Ukrainian sovereignty but also for several geopolitical reasons. First, Democrats hold the fervent belief that stopping Russian aggression in Ukraine is

essential for European security. As NATO member countries increase their defense spending, a Harris administration would likely continue strengthening NATO's defense modernization and integration. Second, they also recognize that standing up for the defense democratic states against invasion represents essential element of deterrence against potential Chinese action against Taiwan. Therefore, for many reasons, a Harris administration will remain committed to Ukraine's defense. At the same time, it will also continue to seek stability between the US and Russia, and avoid unwanted escalation between the two countries.

### **Negotiating a US-Saudi defense treaty:**

We would expect a Harris administration to continue the Biden administration's efforts of negotiating a US-Saudi defense treaty, which as a part of any agreement would likely include the normalization of Saudi-Israeli relations and a promise on progress toward a two-state solution for the Palestinians. The specifics if the agreement include several highly sensitive and historic agreements—namely a US security guarantee for Saudi Arabia comparable to the “Article 5” commitment enjoyed by NATO members, as well as the decision on assist the kingdom in its development of a civil nuclear energy program. In exchange, Saudi Arabia would commit to limiting its defense and technological relationship with China.

A US-Saudi defense treaty would require ratification by the US Senate, which should not be automatically expected under most electoral scenarios, as at least some Democratic opposition is expected based on criticism of Saudi Arabia, and a two-thirds majority is required for it to pass. Senators from both sides of the aisle may also have concerns about the Article 5-like commitment to Saudi security, particularly as the Republican party is increasingly isolationist, among other issues (e.g. the nonproliferation risks associated with the civil nuclear deal).

# Harris Administration Would Maintain Biden’s Status Quo on US Energy Policy and Carefully Consider More Stringent Environmental Regulations

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## WHAT HARRIS HAS SAID ABOUT US ENERGY POLICY

**On the IRA:** Harris would maintain the Biden administration’s focus on implementing economy-wide energy and climate policy. In 2022, Harris cast the tie-breaking vote in the Senate to pass the Inflation Reduction Act (IRA) and has highlighted the resulting “millions of good-paying, clean energy jobs” and the “rebuilding of America’s manufacturing.” Her campaign will likely emphasize the benefits of finalizing IRA guidance and her victory would end talk of its repeal. Moderate voters will again play a deciding factor in the 2024 presidential election, putting pressure on Harris to choose a running mate and a platform that plays more to centrist ideas and highlights the countrywide benefits of Biden-era climate laws.

**On fracking:** At a September 2019 Climate Crisis Town Hall, Harris affirmed her aim to ban fracking on both public and private lands, saying, “There’s no question, I’m in favor of banning fracking.” She vowed to end federal support for the oil and gas industry, halt new oil leases on federal lands, and regulate methane

emissions. These stances differed from those she supported as vice president where she took a major step back from the anti-oil and gas rhetoric. However, in July, the Harris campaign reportedly called Trump’s claims that Harris will ban fracking false.

**On suing oil and gas industry:** As California state attorney general, Harris established a reputation as a vocal opponent of the oil and gas industry. She helped win almost \$50 million in settlements by suing companies such as BP plc (BP) and ConocoPhillips (COP) over improperly maintained gasoline tanks and other issues and filed criminal charges against Plains All American Pipeline LP (PAA) over a pipeline leak. She also investigated if ExxonMobil (XOM) knowingly deceived consumers and shareholders about the risks its products posed to climate change. While this did not result in prosecution, her actions were at the beginning of the rise in state and local governments filing suits against oil and gas companies for their role in climate change. The US Supreme Court is still waiting for guidance from the Department of Justice on how climate litigation cases against the oil industry should proceed.

## WHAT HARRIS HAS SAID ABOUT ENVIRONMENTAL POLICY

On prioritizing environmental justice: Harris is a well-known advocate for environmental justice. In 2005, [as San Francisco district attorney](#), she created one of the first dedicated environmental justice units in the country focused on environmental crimes. In 2018, Harris introduced the [Environmental Justice Right to Know Act](#), which sought to infuse environmental justice into how agencies examined pesticides and cosmetics. Harris also introduced the Senate’s [Environmental Justice for All Act](#) in 2020, which specifically sought to address “disproportionate adverse human health or environmental effects of federal laws and programs” on communities around the country.

**On PFAS and chemicals policy:** A Harris administration would continue the Biden administration’s aggressive approach to regulating per- and polyfluoroalkyl substances (PFAS). Biden has pushed PFAS regulation through a [“government-wide approach,”](#) including directing the Environmental Protection Agency (EPA) to publish a [PFAS Strategic Roadmap](#) in 2021, which has since guided the agency’s policy on PFAS. Most federal regulation of the chemicals has been promulgated over the past few years, which Harris has supported. In April 2024, after the EPA announced that it was finalizing national drinking water standards on six different PFAS, Harris noted her support of the regulations in [a post on X](#).

## WHAT HARRIS HAS SAID ABOUT TRADE POLICY

**On exporting:** Harris has emphasized the importance of pursuing trade policies that create export markets for US products, rather than broad-based tariffs that isolate the US economy. During a Democratic debate in late 2019, Harris declared “I am not a protectionist Democrat. We need to sell our stuff.”

**On Trump’s tariffs:** VP Harris and former President Trump have starkly different approaches to trade policy. Harris views tariffs as burdening Americans by raising the cost of living. Harris has specifically [criticized](#) Trump’s imposition of tariffs on over \$300 billion worth of imports from China and his proposal to introduce a 10% universal tariff on all imports.

**On forced labor:** Harris has advocated for legislation to combat forced labor in China. As a senator, she [co-sponsored](#) the Uyghur Human Rights Policy Act, which became law in 2020. The law empowers the federal government to sanction “foreign individuals and entities responsible for human rights abuses” in the Xinjiang region of China.

## WHERE HARRIS DIFFERS FROM BIDEN

### [Energy & Environmental Policy](#)

Harsher stance toward domestic resources: Harris has taken a noticeably sharper stance against the oil and gas industry in her roles before becoming vice president. There is a risk that she will consider stricter actions to curb incentives that prolong the lifeline of fossil fuel production and consumption.

Continuing the Biden administration’s environmental work: Vice President Harris’s environmental policies would likely mirror and continue much of the Biden administration’s policy work over the past three-and-a-half years. We expect her to continue pushing for stringent EPA tail pipe emissions and power plant regulations, but she has not given any hints to her key environmental priorities. Her policies as a candidate in the 2020 primaries and as the attorney general of California indicate that she may lean more progressive than President Biden in certain areas, such as environmental justice and weighing in on climate litigation against oil and gas companies.



## Trade Policy

Opposed two free trade agreements: Harris has opposed two major trade deals that Biden supported—the US-Mexico-Canada Agreement (USMCA) and the Trans-Pacific Partnership. Her opposition stemmed from concerns that neither agreement sufficiently protected the environment or labor rights, prompting her to be one of ten senators to vote against the USMCA. If Harris wins, the US will likely emphasize environmental issues in the review of USCMA in July 2026 and new free trade agreements will continue to be unlikely.

## KEY PRIORITIES FOR ANY DEMOCRATIC ADMINISTRATION

**Implement Biden-era climate funding streams:** The IRA was the Biden administration’s landmark climate action, stimulating job growth and clean energy projects across the US. A Harris administration would likely finalize IRA guidance, continue the flow of funds for clean energy technologies

through the Department of Energy, and protect the various grant programs such as the EPA’s Greenhouse Gas Reduction Fund.

**Expanding environmental policies:** In a draft of the 2024 Democratic Party Platform, the Democratic National Committee has announced its focus on cracking down on air and water pollution, in addition to further speeding up cleanups of Superfund sites via “polluter pays” taxes and flexing its long-dormant enforcement powers. The platform also seeks to expand environmental justice actions in a future administration, including investments in drinking water and sanitation infrastructure.

**Managing the role of China in US decarbonization efforts:** Decarbonizing to meet federal goals will require inputs from China, most of which are currently subject to Section 301 tariffs. A Harris administration would have to balance the energy transition with efforts to reduce US reliance on China’s supply chain. A Harris administration would likely maintain existing tariffs against China, but her administration could prioritize the clean energy transition by removing products like lithium-ion batteries and semiconductors from Section 301.

# Harris Would Augur Few Changes to Democratic Financial Services Policy; Would Maintain Strict Regulation, Yet Be Accommodating to Innovation

## WHAT VICE PRESIDENT HARRIS HAS SAID ABOUT FINANCIAL SERVICES POLICY

As vice president, Kamala Harris has been closely aligned with President Biden's views on financial services policy, including as the face of many of the administration's efforts on affordable housing. We expect that Harris would continue to promote policies to increase the supply of affordable housing and encourage initiatives that reduce costs for borrowers and renters.

For example, we expect continued support for Fannie Mae's title insurance pilot program and Freddie Mac's second lien pilot program, the Consumer Financial Protection Bureau's (CFPB) scrutiny of closing costs (origination fees, credit reporting fees, and title insurance), and antitrust regulators' ongoing scrutiny of algorithm-based rent-setting platforms.

Similarly, Harris has supported the administration's junk fee initiatives, which has been a particular focus of the CFPB. We expect that if Director Rohit Chopra (D) leaves his current role, future agency leadership will



be closely aligned with his view and will seek to finalize or implement the credit card late fee safe harbor rule, overdraft regulations, and maintain an enforcement focus on products the administration believes provide relatively little value for the cost.

## WHERE HARRIS DIFFERS FROM BIDEN

We anticipate there would be little difference in administrative priorities in a Harris administration. However, we expect that large banks could be the target of increased negative campaign rhetoric. Since President Biden's announcement that he will not seek reelection, Harris and her supporters have pointed to her experience as the California AG as evidence of her readiness to be president. A key part of her experience as AG was litigation against large banks following the mortgage crisis.

Despite the potential for negative headlines for large banks, we do not expect it to significantly impact the policy outcomes. Federal Reserve Board (Fed) Chair Jerome Powell suggested in recent testimony to Congress that the Fed would repropose at least part of its Basel III endgame program, which will likely push a final rule into 2025. We do not expect the Fed to maintain its current proposal, even if Harris takes a "tough on banks" approach. While leadership at the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) under Harris might favor the current proposal, the Fed is an independent agency whose leadership has not reached consensus on the Basel proposal and is unlikely to be influenced by presidential politics. However, we believe a Harris administration would seek to finalize other strict bank regulations, including limits on fees for overdrafts, late credit card payments, and debit interchange. We also expect a Democratic administration would consider regulations on liquidity, particularly risks from uninsured deposits.

We also believe that Harris' more accommodating views towards technology would benefit fintech providers. While the CFPB would likely finalize its interpretive rule on finance charges related to earned wage access, we think Harris, longer-term, would be open to innovation in financial services technology, including greater adoption of artificial intelligence with adequate guardrails to avoid discriminatory outcomes.

## KEY PRIORITIES FOR ANY DEMOCRATIC ADMINISTRATION

Any Democratic administration would prioritize finalizing proposed regulations and defending regulations that have been challenged in court, including the credit card late fee safe harbor rule, new overdraft regulations, the Retirement Security Rule, the Combatting Auto Retail Scams rule, Basel III endgame, and lowering the debit interchange fee limit for large financial institutions.

A Harris administration would prioritize equitable credit access, credit affordability—including in the housing market, and consumer protection. We anticipate bank regulators will continue to prioritize concerns that emerged from the 2023 bank failures and maintain stricter enforcement of third-party partnerships.

We anticipate that financial services legislation will remain difficult in the next Congress, putting more importance on administrative agency action. With neither party likely to establish a filibuster-proof majority in the Senate, we believe lawmakers will struggle to advance any significant financial services bills, although tax reform legislation or a potential reconciliation bill could provide opportunities to negotiate some compromise.

# Harris Likely Echoes Biden on Most Healthcare but with Greater Deference to Unions and Focus on Women’s Health; Medicare for All Return Unlikely

## WHAT HARRIS HAS SAID ABOUT HEALTHCARE POLICY

**O**n labor union interests: Harris has received a series of influential endorsements from major labor unions. Harris has long had strong ties to organized labor, even accused in 2017 by Prime Healthcare Services of abusing her position as California attorney general to act on behalf of the Service Employees International Union-United Healthcare Workers (SEIU-UHW), a major campaign contributor of hers. This support for labor unions has continued in her role as vice president. In April 2024, Harris spearheaded the release of pro-union rules setting minimum staffing requirements for long-term care facilities and at-home services. Capstone would expect this deference to labor unions to continue under a Harris presidency, and potentially even ramp up from Biden levels given Harris’ reliance on unions to try and advance a quickened campaign process.

**On women’s health:** Harris has long been an advocate for women’s health and reproductive rights and played a major role in the Biden administration’s response to both the overturning of *Roe v. Wade* and the Alabama Supreme Court decision that disrupted the fertility industry earlier this year. We expect that Harris would

continue this focus as president, using regulatory authority to push demo programs and enhanced Medicaid coverage. Harris may also look to increase fertility-related coverage mandates, benefiting the fertility industry.

**On Medicare for All:** During her 2019/2020 presidential campaign, Harris touted her plan for a Medicare for All option that resembled more of a Medicare Advantage for All. The plan would have provided a public health insurance option while also allowing private insurers to compete, although in a heavily regulated environment. While both parties at the time had criticized the plan for its 10-year transition timeline, it would be a far more industry-friendly version of the Medicare for All that insurers have come to fear. Capstone believes any form of single-payor health system, including Medicare for All, remains highly unlikely given the congressional environment and that Harris is unlikely to make this a key campaign topic to avoid appearing too left-leaning.

**On drug pricing:** Harris supported the Biden administration in rolling out the IRA and accompanying drug price negotiations. During her previous presidential campaign, she also proposed to limit payments for drugs with price increases that outpaced inflation. Like Biden, Harris also supported drug importation from comparable

countries and proposed empowering Health and Human Services (HHS) to cap US drug prices at an international benchmark. Capstone would expect Harris to continue Biden's victory lap on the IRA, and message for expansion of negotiation but likely fail to get any additional policies through.

**On telehealth:** Harris was keen on expanding telehealth accessibility before the virtual care shift brought on by the pandemic. In 2018, she introduced legislation that would have enabled mental health services under Medicare through telehealth and exempted several individuals from coverage policies, such as originating site requirements. Capstone believes Harris would support broader telehealth reform in Congress, which already has bipartisan support as lawmakers seek to navigate post-pandemic telehealth flexibilities.

## WHERE HARRIS DIFFERS FROM BIDEN

Harris' healthcare agenda would not vary significantly from that of Biden. Harris' comfortability talking about women's health issues makes this a natural campaign talking point but her historical push for single payor healthcare feeds into the Republican camp idea that Harris is a radical left candidate, making it unlikely to become a key aspect of the campaign.

**Emphasis on Women's Health:** While both Biden and Harris broadly support women's health and reproductive rights, Harris' support is amplified and likely to be an integral component of her campaign. In May 2024, Harris became the first presidential or vice-presidential candidate to visit a Planned Parenthood clinic. In 2022, she spearheaded the Biden administration's Blueprint for Addressing the Maternal Health Crisis 2022. During her last campaign, Harris also suggested that states with a record of regulations to curb access to abortion would have to obtain clearance from the Department of Justice before enacting

new laws relating to abortion, underscoring the potential for more legislation safeguarding abortion in the future.

**More liberal on health insurance:** Harris has historically positioned herself further left on health insurance than Biden has. In 2020, Harris worked to forge a path between Biden's appeal to moderates and the further-left campaigns of Sens. Elizabeth Warren (D-MA) and Bernie Sanders (I-VT). While Biden primarily advocated for an expanded role of the ACA, Harris took it further with her modified Medicare for All plan. Although it included a role for private health insurance, the plan also proposed expanding Medicare's services to include vision care, dental care, hearing aids, mental health services, substance use disorder treatment, and comprehensive reproductive health care services, which drew significant opposition from private industry more broadly. Harris changed her tune once joining the Biden campaign, and Capstone expects her Medicare for All ambitions to remain largely tempered due to concerns of appearing too left leaning.

## KEY PRIORITIES FOR ANY DEMOCRATIC ADMINISTRATION

If elected, Capstone believes Harris would continue much of the Biden healthcare agenda; pushing forward support for the Affordable Care Act (ACA) and touting the IRA drug pricing win.

**ACA:** One of the biggest Biden wins in healthcare has been the record-low uninsured rate, which is partially attributable to the expansion of ACA subsidies and significant enrollment growth of the program. Harris is likely to continue "victory lapping" the exchanges.

**Drug Pricing Reform:** Addressing prescription drug costs will remain a priority for any democratic administration. This would involve capping prices, increasing transparency, and curtailing fraud in the pharmaceutical and pharmacy industries.



# Harris' Tech Vision: Increase AI Focus, Support Mergers, Back Tech on Immigration and Cybersecurity, Push Social Media Content Moderation

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## WHAT HARRIS HAS SAID ABOUT TECH POLICY

**O**n AI: Harris' office was heavily involved in developing the administration's approach to AI, resulting in Biden's executive order (EO). The EO uses the Defense Production Act (DPA) to mandate that foundation model developers, such as Google (GOOGL), Meta (META), and OpenAI, to notify the federal government when training models over a certain size and report adversarial testing ("red teaming") results.

Harris was also critical in securing voluntary commitments from the largest developers of foundation models to further invest in security testing, develop standards for identifying AI-generated content, and publicly report models' capabilities and limitations.

At the UK-hosted "Global Summit on AI", Harris focused on individual-level AI dangers, highlighting algorithmic discrimination and deepfakes as serious personal risk, comparable to AI-enabled cyber attacks and advanced weapons development.

**On traditional tech issues:** Harris has typical moderate Democratic views on technology company regulation. As California attorney general, Harris sued eBay for anticompetitive 'no-poaching' agreements with Intuit and created a dedicated privacy office under her purview. Notably, she has been silent on tech antitrust, and has links with Uber (where her brother-in-law is chief legal officer), Meta, and other big tech companies. We think her likely antitrust appointments, lesser (relative to Biden) obligations to the progressive wing of the party, and timing considerations for FTC appointments suggest relaxed view towards merger activity.

We expect Harris to focus on the intersection of tech and data privacy issues in particular. As AG, she persuaded major social media platforms to take meaningful steps against revenge pornography and prosecuted the executives of Backpage.com for advertising adult services. The Backpage case led to the passage of the controversial SESTA/FOSTA modifications, which had bipartisan support, to platform immunity under Section 230 of the Communications Decency Act. Privacy will likely be a component of Harris's focus on post-Roe protections of access to reproductive healthcare.

**On TikTok:** Harris has made efforts to distinguish between US national security concerns about China-based tech firms like TikTok and her views on the app itself. Harris noted on the TikTok bill that, while there are national security concerns about the company's owner, there is no intention of banning TikTok.

## WHERE HARRIS DIFFERS FROM BIDEN

**Immigration:** As a senator, Harris introduced a bill to remove per-country caps for employment-based green cards to address the more than a decade-long backlog of applications from H1B and other work visa holders. Harris has been silent on H1B reform, but we anticipate her favorable stance towards big tech suggests support for increasing visa grants for highly skilled applicants in top categories. Simultaneously, she is likely to continue the Biden administration's reforms targeting "gaming" of the H1B system.

**Cybersecurity:** Harris is likely to be more proactive on cybersecurity issues than Biden while following through on the 2021 cybersecurity EO. As senator, she introduced the Secure Elections Act (SEA) with bipartisan support, which would have created a cybersecurity framework and grant program for state election administrators. Additionally, she has expressed interest in the bigger issue of when a cyberattack amounts to an act of war, outlined in her 2019 biography, *The Truths We Hold*.

## KEY PRIORITIES FOR ANY DEMOCRATIC ADMINISTRATION

**Content moderation for children:** A major weakness for social media platforms in the US regulatory environment is the potential harm to underage users. A Democratic administration will likely address this with restrictions on addictive design patterns and mandatory parental controls, either through new legislation, such as the Kids Online Safety Act (which passed the Senate on July 25, 2024) or an expansive interpretation of existing online child protection law.

**Privacy:** Although privacy legislation appears stalled, we believe this impasse provides motivation for the Consumer Financial Protection Bureau's (CFPB) pending updates to its rule enforcing the Fair Credit Reporting Act, targeted at restricting data brokers. The rule would significantly expand the definition of a credit report to include identifying data sold by large adtech providers like LiveRamp (RAMP), increasing exposure for affected companies to enforcement and class action risk. We believe the impact of the rule, which has yet to be formally proposed, is still underappreciated by the market.

**Navigating a dysfunctional Congress and an oppositional Supreme Court:** A Democratic trifecta with a supermajority in the Senate is an unlikely outcome. We believe in any other circumstance, a Democratic administration will be forced to pursue their policy goals through rulemaking. In the wake of *Chevron's* overturning, that task will be even more difficult.

# About Capstone

- ▶ Capstone is a global, policy-driven strategy firm helping corporations and investors navigate the local, national, and international policy and regulatory landscape.

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