



INSIDER INSIGHTS

What Government Affairs Can Learn From Corporate Communications

Winning the regulatory argument is no longer enough. Companies also need a reservoir of public trust. Those that bring communications in early will be the ones shaping the story when the next policy swing or viral moment hits.

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EXECUTIVE SUMMARY

For decades, corporate leaders developed strategies based on federal policy under any given administration. That no longer holds. Positions on tax policy, tariff policy, trade rules, and environmental regulation now swing sharply from one administration to the next, and at times even within a single administration. These issues are often treated as regulatory matters for government affairs to manage. But today's business environment demands that corporate communications be an early, ongoing partner in government affairs strategy, not a team brought in after the damage is done.

After all, a president's social media post can sink a company's stock price in minutes, and one fired Amazon warehouse worker¹ ended up testifying against the company before a Senate committee.² A broader, cross-functional plan that incorporates

policy, reputation, and stakeholder risk builds a record of positive stories with the public long before the bad one hits social media. Building alliances with local community leaders and industry buyers through earned media and partner events limits the impact of even the most viral White House post.

Government affairs teams are practiced at navigating political, policy, and regulatory landscapes. But reputation risk now extends well beyond the government arenas those teams are built to work in. Corporate communications teams fill the gap with complementary expertise in reputation, stakeholder engagement, and brand management. Companies that bring them in early, rather than scrambling to respond, will be the ones shaping the story when the next policy swing or viral moment hits.

THE PROBLEM

Unpredictable government policy threatens your bottom line

TARIFFS AND TRADE

When the U.S. federal government implemented global tariffs, government affairs teams reacted in real time so executives would understand the business impact. However, stocks fell for impacted companies.

Companies could not have known exactly how the tariffs would land, but they could have planned for them. Going to investors ahead of time with a simple message would have changed how the news was received: If tariffs happen this way or that way, here is how we respond. Government affairs and corporate communications working together early could have delivered exactly that.

DEI POLICY SHIFTS

Similarly, companies that made DEI commitments during the Biden administration then had to abandon them, including scrubbing websites and social media accounts, once the Trump administration took power. Government contractors were especially fast at flipping their scripts to secure new business. The challenge lay in communicating to employees how pursuing profit didn't mean abandoning those employees' values. Where companies fell short on this, employee morale dropped: A July 2025 survey of nearly 1,000 business leaders found that 47 percent of companies that pulled back on DEI reported a decline in morale.³

¹ Jon Gingerich, "Amazon Memo Details PR Plan to Smear Fired Worker," O'Dwyer's PR News, April 3, 2020. odwyerpr.com/story/public/14064/2020-04-03/amazon-memo-details-pr-plan-smear-fired-worker.html

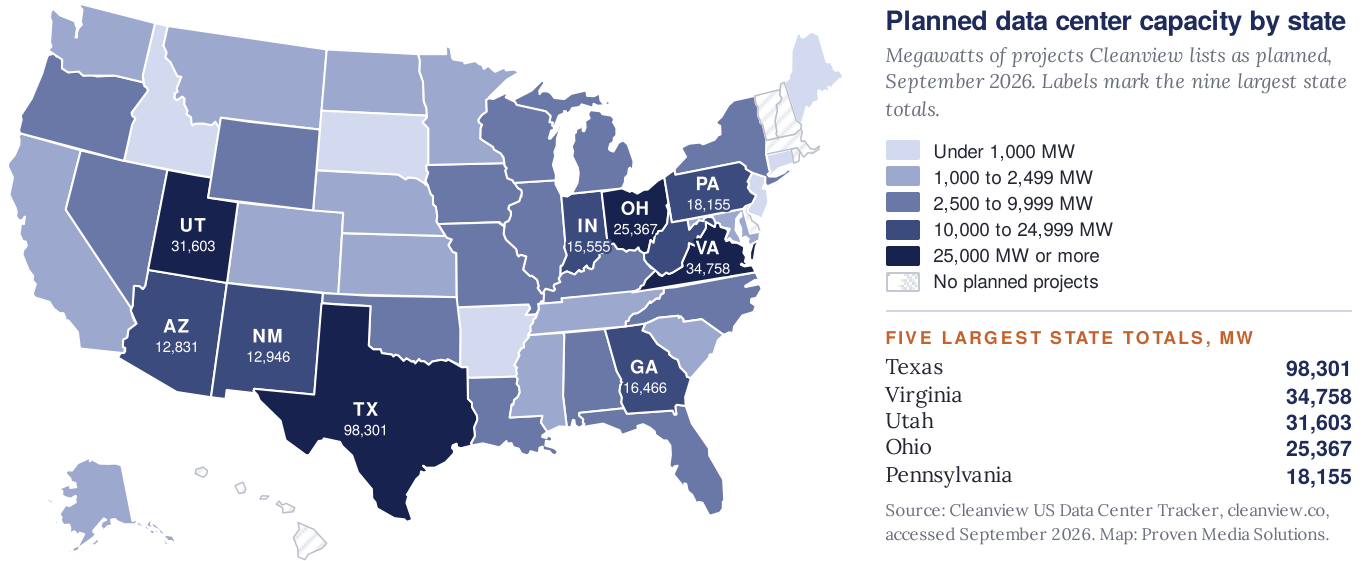
² "Union leader slams Amazon's labor practices at Senate hearing" CNBC, May 5, 2022. cnbc.com/2022/05/05/union-leader-slams-amazons-labor-practices-at-senate-hearing.html

³ "6 in 10 Companies That Eliminated DEI Since Trump's Reelection Are Hiring Fewer Diverse Employees," ResumeTemplates.com, July 23, 2025. resumetemplates.com/6-in-10-companies-that-eliminated-dei-since-trumps-reelection-are-hiring-fewer-diverse-employees/

DATA CENTERS AND COMMUNITIES

Data centers are coming center-stage for the midterms. Companies got the regulatory approvals and the backing of important elected officials, but

government affairs and corporate communications didn't coordinate to gain local and regional support. That may be why voters and elected officials alike in both parties are uniting in opposition.



CASE STUDY

Data centers: From fast-tracked permits to organized local opposition

For years, companies building AI and cloud infrastructure enjoyed about as favorable a regulatory environment as exists: fast-tracked permitting, sympathetic federal agencies, and elected officials eager to court the investment. Government affairs did its part for years, but the momentum shifted in 2026. The lack of coordination between government affairs and corporate communications opened up a gap: Everyday people across the political spectrum⁴ felt walked over by Big Tech, and they pushed back.

Politicians who previously supported data centers are wavering, and even recent support from President Donald Trump didn't seem to move the needle with the GOP base.⁵ Google, OpenAI, and Oracle are facing organized community pushback on proposed sites. Local officials in Loudoun County, Virginia, threw up a significant roadblock to Amazon's planned data center there.⁶ As of spring 2026, a *Financial Times* analysis found that nearly 40 percent of data centers expected to open this year was running at least three months late,⁷ with local and state opposition among the growing headwinds.

⁴ Dustin Siggins, "Missed Messaging: Data Centers Fall From Grace," RealClearPolitics, May 16, 2026. realclearpolitics.com/articles/2026/05/16/missed_messaging_data_centers_fall_from_grace_154128.html

⁵ "As Trump pushes for data centers, voters in key midterm races say they don't want them," NBC News, September 6, 2026. nbcnews.com/politics/2026-election/trump-data-centers-voters-key-midterm-races-rcna594914

⁶ "Loudoun County will fight to keep Amazon data center off just-sold GW campus in Ashburn," WTOP, March 2026. wtop.com/loudoun-county/2026/03/loudoun-county-will-fight-to-keep-amazon-data-center-off-just-sold-gw-campus-in-ashburn/

⁷ "40% of data center projects will be late this year, study finds," Network World, April 22, 2026. networkworld.com/article/4162176/almost-40-of-data-center-projects-will-be-late-this-year-2027-looks-no-better.html

LOCAL OPPOSITION DOES NOT NEED A MAJORITY

Median turnout in major-city mayoral elections is about 20 percent.⁸ When so few people vote, a few dozen organized residents decide what local officials hear. A small, organized, vocal group can derail a project years in the making. Conversely, a small, organized, vocal group can give local officials political cover to approve a project.

The lesson transfers directly to any company operating in a regulated or politically visible space: Winning in Washington, or in a statehouse, is necessary but not sufficient. Without a parallel investment in public trust, the regulatory win can still collapse at the local level.

WHAT BROKE DOWN

Companies arrived with permits in hand, trained on abstract arguments about innovation and competitiveness. But what local communities cared about were water, environmental concerns, and land rights. Community engagement often happened after the fact, reflexively, and without the holistic preparation of building trust with local leaders, social listening, and understanding of unique local objections.

As the politics became more complicated, one data center fight in Utah encapsulates the national conversation: Both sides “haven’t even agreed on what they agree to.”⁹

THE SOLUTION

Integrate government affairs and corporate communications

In the past, corporate communications and government affairs coordinated only occasionally outside highly regulated industries like banking and healthcare. Today, tariffs and taxes are just two examples of policies that require careful balancing of conflicting stakeholders, especially with the 2026 midterms adding another layer of potential policy and political change. The solution is to incorporate corporate communications into government affairs strategy from the start. The new operating model incorporates policy intelligence and decision-maker relationships and context from government affairs; and communications bringing employee and customer insights, media and social listening, and experience in reputation management.

1 BUILD STAKEHOLDER RELATIONSHIPS AND TRUST BEFORE YOU NEED THEM

Convincing a community to support a data center proposal is an invitation to opposition. Introducing a data center proposal after 18 months of building relationships and trust through a dedicated regional representative conveys that you consider local leaders your allies.

The first six months should be spent building understanding of local issues by meeting with leaders, business owners, activists, and others to understand potential local objections. This allows communicators and government affairs to partner in identifying how new construction will benefit the community, how to communicate those benefits, and ways to add extra value like planting trees and funding town projects. It also lets both teams map supporters, opponents, and openings for dialogue as they shift.

⁸ “The Timing of Local Elections,” Johns Hopkins University, 2024. sgp.jhu.edu/primers/the-timing-of-local-elections/

⁹ Michael Posner, “One Utah County’s Fight Over a \$100 Billion Data Center, and What It Means for All of Us,” Forbes, June 9, 2026. forbes.com/sites/michaelposner/2026/06/09/one-utah-countys-fight-over-a-100-billion-data-center---and-what-it-means-for-all-of-us/

2 PLAN MESSAGES AT THE CORPORATE, DIVISION, AND REGIONAL LEVELS ONCE ELECTION RESULTS ARE KNOWN

This requires a proactive strategy: Government affairs brings visibility into policy shifts, while corporate communications brings expertise in preparing stakeholders before those shifts land.

Consider the original U.S. tariffs that Trump ran on. Government affairs teams knew they were coming, but corporate communications often was messaging retrospectively. Investors, employees, and customers wanted to know that supply chains and resources were already in place and that availability would remain unharmed. Going forward, companies that connect policy intelligence with stakeholder communications early will be better positioned to address these concerns.

3 SPREAD THE MESSAGE THROUGH MESSENGERS STAKEHOLDERS TRUST

One lesson corporate communications can share is that the most trusted spokespeople often don't have a "C" next to their name. FedEx promised to return money to customers after some tariffs were

ruled unconstitutional, and, yes, the initial announcement came from the company and its executives. But it has let national media and its tariff refund portal tell the tale far more frequently and reliably.

That said, once things become more severe, executives have to be out in front to show that the organization is taking responsibility. There's a reason auto executives testified to Congress when seeking government money in 2008, and tech executives take the dressing-downs from Members of Congress. Sometimes it takes an executive at the podium to project accountability and show that the company is taking things seriously.

4 KNOW WHEN TO SAY NOTHING

Target is perhaps the best example of a company that said too much and alienated customers across the political spectrum and the country, contributing to the CEO's resignation in 2025. Contrast that with American Eagle, which faced accusations of racism in the same year with a laconic response, "is and was always about the jeans," and let its increased sales speak for themselves.

THE BOTTOM LINE

The market, and increasingly, the company's own board, is asking corporate communications and government affairs to solve the same problem from two different angles: the risk that government action poses directly to the business, and the public trust that regulatory wins alone can't buy.

Companies can build this ability proactively by getting government affairs and corporate communications at the same table from the beginning.

This is a far superior strategy to discovering what's needed mid-crisis. It allows the company to set the terms of the conversation instead of reacting to it. ■



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