

Overview: The Obama Administration and the 111th Congress

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The Obama Cabinet

- Current Cabinet Appointees (Senate Confirmation Required)

DEPARTMENT	APPOINTEE
Agriculture	Tom Vilsack , former Iowa Governor
Commerce	Not yet announced
Defense	Robert Gates , current Secretary of Defense
Education	Arne Duncan , Superintendent of Chicago Public Schools
Energy	Steven Chu , Director of Lawrence Berkeley National Lab
Health and Human Services	Tom Daschle , former Senate Majority Leader
Homeland Security	Janet Napolitano , Governor of Arizona
Housing and Urban Development	Shaun Donovan , New York City Commissioner of Housing Preservation and Development
Interior	Ken Salazar , Colorado Senator
Justice	Eric Holder , former Deputy Attorney General under President Clinton
Labor	Hilda Solis , California Congresswoman
State	Hillary Clinton , New York Senator
Transportation	Ray LaHood , former Illinois Congressman
Treasury	Timothy Geithner , New York Federal Reserve Bank President
Veterans Affairs	Gen. (Ret) Eric Shinseki , former Army Chief of Staff

The Obama Cabinet, cont'd

- Current Cabinet-Rank Appointees (Senate Confirmation Required)

OFFICE	APPOINTEE
Office of Management and Budget	Peter Orszag , Director of the Congressional Budget Office
Environmental Protection Agency	Lisa Jackson , head of New Jersey's Department of Environmental Protection
United States Trade Representative	Ron Kirk , former Dallas Mayor
Office of National Drug Control Policy	Not yet announced

The Obama Administration

■ Other Key Appointments (Senate Confirmation Required)

POSITION	APPOINTEE
Chair of the Council of Economic Advisers	Christina Romer , Economist at the University of California, Berkley
Chair of the U.S. Securities and Exchange Commission	Mary Schapiro , CFO of the Financial Industry Regulatory Authority (FINRA), former Chair of the Commodity Futures Trading Commission, and former SEC Commissioner
Chair of the U.S. Commodity Futures Trading Commission	Gary Gensler , former Under Secretary of the U.S. Department of the Treasury
Board of Governors of the Federal Reserve System	Daniel Tarullo , Professor of Law at Georgetown University Law Center and former Assistant to the President for International Economic Policy
Administrator of OMB's Office of Information and Regulatory Affairs	Cass R. Sunstein , Harvard Law professor
Deputy Director for Management at the OMB	Nancy Killefer , former Chief Operating Officer at the United States Department of the Treasury
Chair of the Council on Environmental Quality	Nancy Sutley , Deputy Mayor for Energy and Environment for the City of Los Angeles
National Oceanic and Atmospheric Administration (NOAA) Administrator	Dr. Jane Lubchenco , Oregon State University Professor
Director of the White House Office of Science and Technology Policy	Dr. John Holdren , Harvard professor and President and Director of the Woods Hole Research Center

The Obama Administration

■ Other Key Appointments (Senate Confirmation Required), cont'd

POSITION	APPOINTEE
Ambassador to the United Nations	Susan Rice , Senior Foreign Policy Advisor to the Obama for America campaign and former U.S. Assistant Secretary of State for African Affairs
Director of the CIA	Leon Panetta , former Congressman and White House Chief of Staff
Director of National Intelligence	Adm. (Ret) Dennis C. Blair , former Commander of U.S. forces in the Pacific and former NSC staffer
Deputy Secretary of State	James B. Steinberg , dean of the LBJ School of Public Affairs and former Deputy National Security Advisor
Deputy Secretary of State	Jacob Lew , co-chair of the Advisory Board for City Year New York and member of the Council on Foreign Relations; former Director of the Office of Management and Budget
Deputy Attorney General	David Ogden , former Assistant Attorney General
Solicitor General	Elena Kagan , Dean of Harvard Law School and former Deputy Assistant to the President for Domestic Policy and Deputy Director of the Domestic Policy Council
Associate Attorney General	Tom Perrelli , former Deputy Assistant Attorney General
Administrator of the Small Business Administration	Karen G. Mills , principal in the private equity and venture capital industry

The Obama Administration

■ Other Key Positions (Senate Confirmation Not Required)

POSITION	APPOINTEE
National Security Adviser (NSA)	Gen. (Ret) James Jones , President and CEO of the U.S. Chamber Institute for 21st Century Energy
Deputy NSA	Thomas E. Donilon , former Assistant Secretary of State for Public Affairs and Chief of Staff at the U.S. State Department
Homeland Security Advisor and Deputy NSA	John O. Brennan , former CIA official
NSA to the Vice President	Antony “Tony” Blinken , former Staff Director of the U.S. Senate Foreign Relations Committee
Director of the National Economic Council	Lawrence Summers , former Treasury Secretary
Chairman of the Economic Recovery Advisory Board	Paul Volcker , former chairman of the Board of Governors of the U.S. Federal Reserve System
Staff Director and Chief Economist of the President’s Economic Recovery Advisory Board	Austan Goolsbee , professor of economics at the University of Chicago (will also be a Member of the Council of Economic Advisers, a position requiring Senate confirmation)
Chief Economist and Economic Policy Advisor to the Vice President	Jared Bernstein , economist and former Deputy Chief Economist for the Department of Labor
Director of the Domestic Policy Council	Melody Barnes , Senior Domestic Policy Advisor to Obama for America and former chief counsel to Senator Edward Kennedy
Deputy Director of the Domestic Policy Council	Heather Higginbottom , Policy Director for Obama for America and former Legislative Director for Senator John Kerry

The Obama Administration

- Other Key Positions (Senate Confirmation Not Required)

POSITION	APPOINTEE
Director of White House Office of Health Reform	Tom Daschle , former Senate Majority Leader
Deputy Director of White House Office of Health Reform	Dr. Jeanne Lambrew , professor at the LBJ School of Public Affairs and Senior Fellow at the Center for American Progress
Assistant to the President for Energy and Climate Change	Carol Browner , former EPA Administrator
Deputy Assistant to the President for Energy and Climate Change	Heather Zichal , Obama presidential campaign advisor and former Legislative Director to Senator John Kerry
Co-Chairs of the President's Council of Advisors on Science and Technology (PCAST)	Dr. John Holdren , Harvard professor and President and Director of the Woods Hole Research Center Dr. Eric Lander , founding director of the Broad Institute and principal leader of the Human Genome Project Dr. Harold Varmus , President and CEO of Memorial Sloan-Kettering Cancer Center and former Director of the National Institutes of Health
Chief Performance Officer	Nancy Killefer , former Chief Operating Officer at the United States Department of the Treasury

The Obama Administration

- White House Staff (Senate Confirmation Not Required)
 - White House Chief of Staff, **Rahm Emanuel**
 - Deputy White House Chief of Staff, **Mona Sutphen**
 - Deputy White House Chief of Staff, **Jim Messina**
 - Assistant to the President for Legislative Affairs, **Phil Schiliro**
 - Deputy Director of Legislative Affairs for the United States Senate, **Shawn Maher**
 - Deputy Director of Legislative Affairs for the United States House, **Dan Turton**
 - Director of the Office of Political Affairs, **Patrick Gaspard**
 - Director of Intergovernmental Affairs, **Cecilia Muñoz**
 - Deputy Cabinet Secretary, **Elizabeth Sears Smith**
 - Counsel to the President, **Gregory Craig**
 - Deputy White House Counsel, **Cassandra Butts**
 - Chief of Staff to Vice President Joe Biden, **Ron Klain**
 - Counsel to the Vice President, **Cynthia Hogan**

The Obama Administration

- White House Staff, cont'd
 - Director of Communications, **Ellen Moran**
 - White House Press Secretary, **Robert Gibbs**
 - Director of Scheduling and Advance, **Alyssa Mastromonaco**
 - White House Director of Presidential Personnel, **Don Gips**
 - Senior Advisor, **David Axelrod**
 - Senior Advisor, **Pete Rouse**
 - Senior Advisor, **Valerie Jarrett**

Dynamics of Expanded Democratic Leadership

- With Democrats in control of both Chambers of Congress and the White House, how will leaders balance their individual priorities with those of the party as a whole?
- The economy will override all other issues for at least the first six months of the new Administration
 - How will the economy affect the implementation of President-Elect Obama's broader policy goals such as health care reform, infrastructure investment, and climate change? Will he be successful in using his economic recovery package to advance such priorities?
 - How will pay-as-you-go requirements be handled?
 - Particularly in light of October's \$700 billion financial bailout and a proposed economic stimulus ranging from \$775 billion to over \$1 trillion
- House
 - How closely will Speaker Pelosi coordinate with Senate Majority Leader Reid?
 - The loss of moderate Republicans is likely to increase partisanship and regional divides
 - There are now no Republicans representing New England in the House
 - President-Elect Obama has begun reaching out to centrist Democrats – will those efforts continue?
 - The Conservative Blue Dog Coalition and the New Democratic Caucus could see their role elevated
 - Will the roles of key caucuses like the Congressional Black Caucus and the Hispanic Caucus be expanded?

Dynamics of Expanded Democratic Leadership, cont'd

■ Senate

- With at least 56 Democrats and 2 Independents, what coalitions will achieve 60 votes to block a filibuster?
 - How will the loss of key moderate Republicans affect the partisan divide?
 - What is the role of the remaining moderate Republicans, such as Senators Collins (R-ME), Snowe (R-ME), and Specter (R-PA)? Will there be increased pressure to not “break ranks”?
 - How big of an impact will moderate Democrats like Senators Evan Bayh (D-IN), Blanche Lincoln (D-AR), Ben Nelson (D-NE), Mark Pryor (D-AR) and incoming Senator Mark Warner (D-VA) have?
 - Will we continue to see bipartisan working groups, like those on judges, immigration, and energy?
 - What role will Senator Joe Lieberman (I-CT) play?
 - Despite foreign policy differences, his vote will still be valuable to Democrats on key domestic issues
- The curse of the off-year election: 34 Senators up for re-election in 2010
 - 19 Republicans, 15 Democrats
 - How will their looming re-election battles affect their position on key policies?

House Leadership

POSITION	111 th CONGRESS
Speaker of the House	Nancy Pelosi (D-CA)
Majority Leader	Steny Hoyer (D-MD)
Majority Whip	James Clyburn (D-SC)
Democratic Caucus Chair	John Larson (D-CT)
Democratic Caucus Vice-Chair	Xavier Becerra (D-CA)
Assistant to the Speaker and DCCC Chair	Chris Van Hollen (D-MD)
Minority Leader	John Boehner (R-OH)
Minority Whip	Eric Cantor (R-VA)
Conference Chair	Mike Pence (R-IN)
Policy Committee Chair	Thaddeus McCotter (R-MI)
Conference Vice Chair	Cathy McMorris Rodgers (R-WA)
NRCC Chair	Pete Sessions (R-TX)

House Committee Leadership

COMMITTEE	CHAIR	RANKING MEMBER
Agriculture	Collin Peterson (D-MN)	Frank Lucas (R-OK) <i>Replaces Bob Goodlatte (R-VA) who was term-limited as Ranking Member</i>
Appropriations	David Obey (D-WI)	Jerry Lewis (R-CA)
Armed Services	Ike Skelton (D-MO)	John McHugh (R-NY) <i>Replaces Duncan Hunter (R-CA) who retired</i>
Budget	John Spratt (D-SC)	Paul Ryan (R-WI)
Education and Labor	George Miller (D-CA)	Howard McKeon (R-CA)
Energy and Commerce	Henry Waxman (D-CA) <i>Replaces John Dingell (D-MI)</i>	Joe Barton (R-TX)
Ethics	TBD	TBD
Financial Services	Barney Frank (D-MA)	Spencer Bachus (R-AL)
Foreign Affairs	Howard Berman (D-CA)	Ileana Ros-Lehtinen (R-FL)
Homeland Security	Bennie Thompson (D-MS)	Pete King (R-NY)
House Administration	Robert Brady (D-PA)	Dan Lungren (R-CA) <i>Expected to replace Vernon Ehlers (R-MI), who is no longer on the Committee</i>
Intelligence	Silvestre Reyes (D-TX)	Pete Hoekstra (R-MI)

House Committee Leadership, cont'd

COMMITTEE	CHAIR	RANKING MEMBER
Judiciary	John Conyers (D-MI)	Lamar Smith (R-TX)
Natural Resources	Nick Rahall (D-WV)	Doc Hastings (R-WA) <i>Replaces Don Young (R-AK)</i>
Oversight and Government Reform	Edolphus Towns (D-NY) <i>Replaces Henry Waxman (D-CA) who now chairs Energy and Commerce</i>	Darrell Issa (R-CA) <i>Replaces Tom Davis (R-VA) who retired</i>
Rules	Louise Slaughter (R-NY)	David Dreier (R-CA)
Science and Technology	Bart Gordon (D-TN)	Ralph Hall (R-TX)
Small Business	Nydia Velazquez (D-NY)	Sam Graves (R-MO) <i>Replaces Steve Chabot (R-OH), who lost his bid for re-election</i>
Transportation and Infrastructure	James Oberstar (D-MN)	John Mica (R-FL)
Veterans' Affairs	Bob Filner (D-CA)	Steve Buyer (R-IN)
Ways and Means	Charlie Rangel (D-NY)	Dave Camp (R-MI) <i>Replaces Jim McCrery (R-LA) who retired</i>
Select Committee on Energy Independence and Global Warming	Ed Markey (D-MA)	Jim Sensenbrenner (R-WI)

House Committees

- Few leadership changes on the Democratic side
 - Rep. Henry Waxman (D-CA) successfully challenged Rep. John Dingell (D-MI) for the chairmanship of the Energy and Commerce Committee
 - Chairman Waxman has already announced a re-alignment of subcommittees, combining the Energy & Air Quality and Environment & Hazardous Materials Subcommittees to form a single Energy & Environment Subcommittee to be chaired by Rep. Ed Markey (D-MA)
 - Rep. Edolphus Towns (D-NY) replaces Rep. Waxman atop the Oversight and Government Reform Committee
 - The 111th Congressional Rules package eliminates term limits for Committee Chairmen
- The number of incumbent Republicans who retired or were defeated in re-election bids greatly affected the line-up of a number of key Committees
 - The Ways and Means Committee lost 6 Republicans to retirements (including Ranking Member Jim McCrery) and another 2 Members lost re-election bids
 - The Energy and Commerce Committee lost 5 Republicans to retirements
 - The Appropriations committee lost 6 Republicans to retirements and another 2 Members lost re-election bids
 - 5 Appropriations Subcommittee Ranking Members did not return

House Committees

- House Democrats have increased their majorities on key Committees, bringing them in line with the Democratic Congresses of the early 1990's

Congress	Split	Appropriations	Energy and Commerce	Ways and Means
111th (2009-2010)	256 Democrats 178 Republicans 1 Vacancy (Emanuel) <i>78 seat majority</i>	37 Democrats 23 Republicans <i>14 seat advantage</i>	37 Democrats 22 Republicans <i>15 seat advantage</i>	26 Democrats 15 Republicans <i>11 seat advantage</i>
110th (2007-2008)	236 Democrats 199 Republicans <i>36 seat majority</i>	37 Democrats 29 Republicans <i>8 seat advantage</i>	31 Democrats 26 Republicans <i>5 seat advantage</i>	24 Democrats 17 Republicans <i>7 seat advantage</i>
104th (1995-1996)	230 Republicans 204 Democrats 1 Independent <i>26 seat majority</i>	33 Republicans 25 Democrats <i>8 seat advantage</i>	27 Republicans 22 Democrats <i>5 seat advantage</i>	23 Republicans 16 Democrats <i>7 seat advantage</i>
103rd (1993-1994)	258 Democrats 176 Republicans 1 Independent <i>82 seat majority</i>	37 Democrats 23 Republicans <i>14 seat advantage</i>	27 Democrats 17 Republicans <i>10 seat advantage</i>	24 Democrats 14 Republicans <i>10 seat advantage</i>
102nd (1991-1992)	267 Democrats 167 Republicans 1 Independent <i>100 seat majority</i>	37 Democrats 22 Republicans <i>15 seat advantage</i>	27 Democrats 16 Republicans <i>11 seat advantage</i>	23 Democrats 13 Republicans <i>10 seat advantage</i>

Senate Leadership

POSITION	111 th CONGRESS
President Pro-Tempore	Robert Byrd (D-WV)
Majority Leader	Harry Reid (D-NV)
Assistant to the Majority Leader	Richard Durbin (D-IL)
Vice Chair of the Conference	Charles Schumer (D-NY)
Secretary of the Conference	Patty Murray (D-WA)
Policy Committee Chair	Byron Dorgan (D-ND)
Steering and Outreach Committee Chair	Debbie Stabenow (D-MI)
Committee Outreach Chair	Jeff Bingaman (D-NM)
Rural Outreach Chair	Blanche Lincoln (D-AR)
Chief Deputy Whip	Barbara Boxer (D-CA)
Deputy Whips	Thomas Carper (D-DE), Bill Nelson (D-FL), Russell Feingold (D-WI)
Minority Leader	Mitch McConnell (R-KY)
Minority Whip	Jon Kyl (R-AZ)
Conference Chair	Lamar Alexander (R-TN)
Policy Committee Chair	John Ensign (R-NV)
Conference Vice Chair	John Thune (R-SD)
NRSC Chair	John Cornyn (R-TX)

Senate Committee Leadership

COMMITTEE	CHAIR	RANKING MEMBER
Aging	Herb Kohl (D-WI)	TBD <i>Gordon Smith (R-OR) was defeated in his bid for re-election</i>
Agriculture	Tom Harkin (D-IA)	Saxby Chambliss (R-GA)
Appropriations	Daniel Inouye (D-HI) <i>Replaces Robert Byrd (R-WV)</i>	Thad Cochran (R-MS)
Armed Services	Carl Levin (D-MI)	John McCain (R-AZ)
Banking, Housing and Urban Affairs	Chris Dodd (D-CT)	Richard Shelby (R-AL)
Budget	Kent Conrad (D-ND)	Judd Gregg (R-NH)
Commerce, Science and Transportation	Jay Rockefeller (D-WV) <i>Replaces Daniel Inouye (D-HI) who now chairs Appropriations</i>	Kay Bailey Hutchison (R-TX)
Energy and Natural Resources	Jeff Bingaman (D-NM)	Lisa Murkowski (R-AK) <i>Replaces Pete Domenici (R-NM) who retired</i>
Environment and Public Works	Barbara Boxer (D-CA)	James Inhofe (R-OK)
Ethics	Barbara Boxer (D-CA)	John Cornyn (R-TX)
Finance	Max Baucus (D-MT)	Charles Grassley (R-IA)

Senate Committee Leadership

COMMITTEE	CHAIR	RANKING MEMBER
Foreign Relations	John Kerry (D-MA) <i>Replaces Joe Biden (D-DE) who was elected Vice President</i>	Richard Lugar (R-IN)
Health, Education, Labor and Pensions	Ted Kennedy (D-MA)	Mike Enzi (R-WY)
Homeland Security and Governmental Affairs	Joe Lieberman (I-CT)	Susan Collins (R-ME)
Indian Affairs	Byron Dorgan (D-ND)	Lisa Murkowski (R-AK)
Intelligence	Dianne Feinstein (D-CA) <i>Replaces Jay Rockefeller (R-WV) who now chairs Commerce</i>	Kit Bond (R-MO)
Judiciary	Patrick Leahy (D-VT)	Arlen Specter (R-PA)
Rules and Administration	Charles Schumer (D-NY) <i>Replaces Dianne Feinstein (D-CA) who now chairs Intelligence</i>	Bob Bennett (R-UT)
Small Business and Entrepreneurship	Mary Landrieu (D-LA) <i>Replaces John Kerry (D-MA) who now chairs Foreign Relations</i>	Olympia Snowe (R-ME)
Veterans' Affairs	Daniel Akaka (D-HI)	Richard Burr (R-NC)

- Note that Senate leaders will not finalize Committee ratios and rosters until the Senators from Minnesota and Illinois are seated

Early Priorities for the 111th Congress

- A number of bills introduced by the Democratic leadership early in the 110th Congress were not enacted and are priorities early in the 111th Congress
 - Stem Cell Research Enhancement Act (H.R. 3/S. 5), vetoed in the 110th
 - Medicare Prescription Drug Price Negotiation Act (H.R. 4/S. 3)
 - College Student Relief Act (H.R. 5/S. 7)
 - Comprehensive Immigration Reform Act (S. 9)
 - Legislation to expand the State Children's Health Insurance Program (SCHIP) was twice vetoed by President Bush and the House was unable to override the veto in the 110th
 - 111th Action: SCHIP is expected to be considered by the House as early as the week of January 12
 - Legislation to overturn the Supreme Court's decision in *Ledbetter v. Goodyear Tire & Rubber Company* was passed by the House in the 110th but was not taken up by the Senate
 - 111th Action: The Lilly Ledbetter Fair Pay Act (H.R. 11) was passed by the House January 9 (247-171)
 - Without the threat of a Presidential veto over spending levels, the Democratic Congress will also have more leverage as it wraps up work on the remaining FY09 spending bills
- Economic recovery legislation, comprehensive energy legislation, and financial services regulatory reform are all big priorities

Early Priorities for the 111th Congress

- Senate Majority Leader Reid recently unveiled Senate Democrats' top 10 legislative priorities
 - The American Recovery and Reinvestment Act (S. 1)
 - The Middle Class Opportunity Act (S. 2)
 - tax reform
 - The Homeowner Protection Act (S. 3)
 - moratorium on foreclosures and “cram down” provisions for bankruptcy judges to rework mortgages
 - Comprehensive health care reform (S. 4)
 - The Cleaner, Greener, and Smarter American Act (S. 5)
 - Redirection of U.S. foreign policy in Iraq and Afghanistan (S. 6)
 - Expanded education opportunities, including early childhood education (S. 7)
 - Review of Bush Administration regulations (S. 8)
 - Immigration reform (S. 9)
 - Addressing the federal budget deficit and the national debt (S. 10)

On the Issues

- Democrats have floated numerous policy proposals in some key areas:
 - The Economy/Financial Services
 - Trade
 - Taxes
 - Labor
 - Occupational Health and Safety
 - Climate Change
 - Energy
 - Environment
 - Fisheries
 - Health Care
 - FDA
 - Telecommunications
 - Infrastructure
 - Judiciary
 - Foreign Investment
 - Oversight

On the Issues: Economic Recovery

- In the midst of rising unemployment, record home foreclosures, and near-frozen credit markets, President-Elect Barack Obama is proposing a massive economic stimulus package to help pull the U.S. economy out of a deepening recession
 - Mr. Obama aims to create 3 million jobs over the next two years through his economic plan, which could total over \$1 trillion – the latest projection stands at \$775 billion
 - The package, while primarily designed for its immediate stimulative effects, will also serve as a down payment for some of the President-Elect's longer-term policy initiatives
 - Mr. Obama's transition team is working with Congressional leaders from both parties to develop the economic recovery package
 - Democratic leadership had initially hoped to have the package ready for President Obama's signature by the first days of his Administration, but most are now suggesting it may not reach the President's desk until mid-February
 - Key tax writing and appropriations Committees in both Chambers are likely to hold markups prior to any floor votes

On the Issues: Economic Recovery, cont'd

- President-Elect Obama has indicate a number of components he would like to see in the package
 - Roughly \$300 billion in tax cuts
 - For individuals
 - A payroll tax credit (\$500 for individuals and \$1000 for couples)
 - For businesses
 - Tax breaks for companies that hire new workers
 - A net operating loss “carryback” provision that would allow businesses to apply net operating losses from last year to offset tax liabilities from prior years
 - A “bonus depreciation” provision for spending on new equipment
 - Republicans have expressed support for the tax-cut ratio of 40 percent of the total package, though many remain concerned about the overall size
 - Additional aid to states for states, the vast majority of which face looming budget deficits
 - Anti-poverty programs such as Medicaid, Unemployment Insurance and Food Stamps
 - Education spending

On the Issues: Economic Recovery, cont'd

- Billions of dollars in infrastructure/transportation funding
 - House Transportation and Infrastructure Committee Chairman Oberstar (D-MN) has proposed an \$85 billion infrastructure investment initiative
 - The proposed \$85 billion investment would create or sustain more than 2.4 million jobs and \$439 billion of economic activity
 - The proposal includes: \$30 billion for highways and bridges; \$12 billion for transit; \$5 billion for rail; \$5 billion for aviation; \$14 billion for environmental infrastructure; \$7 billion for the U.S. Army Corps of Engineers; and \$10 billion for Federal buildings
 - Chairman Oberstar, like President-Elect Obama, has stressed the importance of investing in ready-to-go projects and also those that help create green collar jobs
 - Chairman Oberstar would also require the steel, iron, and manufactured goods for these projects to be manufactured in the United States
 - Federal dollars to advance longer-term initiatives focused on technology
 - universal broadband Internet access
 - computerized health records (“health IT”)
 - energy efficiency in buildings, “smart grid” technology, advanced battery research, and tax incentives for the production of renewable energy
 - school modernization

On the Issues: Financial Services

- Regulatory restructuring
 - Revamping regulation of the financial services industry is a high priority for Congress and the Obama Administration, but it will take time
 - A starting point will be Treasury's March 2008 report, *"A Blueprint for a Modernized Regulatory Structure"*
 - Congress will also receive recommendations from the Obama Administration pursuant to mandates in the recently enacted Emergency Economic Stabilization Act
 - President-Elect Obama has already called for careful consideration of restructuring the financial regulatory system and laid out six guiding principles:
 - Entities that borrow from the government should be subject to government oversight and supervision
 - There needs to be general reform of the requirements to which all regulated financial institutions are subjected
 - Streamline the current framework of overlapping and competing regulatory agencies
 - Regulate institutions for what they do, not what they are
 - Remain vigilant and crack down on trading activity that crosses the line to market manipulation
 - Develop a process that identifies systemic risks to the financial system and create a financial market oversight commission

On the Issues: Financial Services, cont'd

- Near-term measures for regulatory restructuring
 - Given the complexity and competing interests that will slow consideration of major regulatory restructuring, Congress will likely impose new regulations on heretofore unregulated financial players such as hedge funds and mortgage brokers, and financial products such as credit default swaps and other derivatives
 - Strong consideration will be given to the creation of a Consumer Financial Products Suitability Commission, an optional federal charter for life and possibly multi-line insurance companies, and federal regulation of monoline insurers
 - Credit ratings agencies should expect new regulations that limit conflicts of interest and require greater transparency
- Mortgage issues
 - Addressing problems with residential mortgages will remain a top issue
 - To stem rising foreclosures, Congress may consider several measures including a short-term moratorium on foreclosures, allowing bankruptcy judges to “cram down” the principal of principal home mortgage (a hotly contested issue) and requiring lenders/servicers to mitigate foreclosure risk through loan modifications
 - Congressional leaders have recently indicated that a “cram down” provision may be included in the stimulus package

On the Issues: Financial Services, cont'd

- Mortgage issues, cont'd
 - Mortgage underwriting reform may come in the shape of new anti-predatory lending legislation to require “ability to repay” standards for all mortgages and imposing assignee liability on loan securitizers
 - Congress must address the future of Fannie Mae and Freddie Mac once they emerge from conservatorship
 - There will be great pressure by congressional Democrats to require a portion of their profits to support affordable housing
- Credit cards and student loans
 - The larger Democratic majority in Congress dramatically increases the prospects for enactment of a “Credit Card Bill of Rights” to strengthen banking regulators’ rules on credit card practices
 - President-Elect Obama has proposed a “five star” rating system to rank the financial safety of credit cards
 - Permitting credit card interchange fees to be negotiated will again be a hot issue fought between retailers and bankers
 - Congress may also address the Federal Family Education Loan Program and/or implement a new system to restore lending for higher education

On the Issues: Trade

- Trade and the global economy
 - How will the Administration's trade policies be shaped by the global financial crisis?
 - Prospects for a new Bretton Woods system
 - Many diplomats and economists are pressing for new global financial rules
- Multilateral and Bilateral Trade Agreements
 - Prospects for completion of the WTO Doha Round are uncertain
 - What are the prospects for outstanding trade agreements with Colombia, Panama, and South Korea?
 - President-Elect Obama voted in favor of the Peru Free Trade Agreement in 2007, but opposes deals with Colombia, Panama, and South Korea
 - Has pledged to push for tougher labor and environmental standards in trade agreements
 - Wants to be a "better bargainer" on behalf of U.S. interests
 - Will work with the governments of Canada and Mexico to fix NAFTA so it "works for all people"
 - A Democratic Congress may renew currently-expired Trade Promotion Authority ("fast-track") now that a Democrat is in the White House
- President-Elect Obama wants to update and extend Trade Adjustment Assistance
 - Renewing and expanding TAA remains a priority for Democratic leadership in both Chambers
 - The House passed a bill in 2007, but the Senate did not follow suit

On the Issues: Trade, cont'd

- Trade enforcement
 - During his campaign, President-Elect Obama advocated pressuring the WTO to enforce trade agreements and end government subsidies to foreign exporters and nontariff barriers on U.S. exports, placing a particular emphasis on China
 - As a Senator, Obama cosponsored legislation to address China's currency manipulation
 - What are the prospects for trade enforcement legislation in the 111th Congress? Will philosophical differences with respect to trade within the Democratic Caucus persist?
 - General trade enforcement legislation introduced in the 110th Congress could lay the groundwork for efforts in the next Congress
 - H.R. 6530 sponsored by House Ways and Means Committee Chairman Rangel and Trade Subcommittee Chairman Levin
 - S. 1919 sponsored by Finance Committee Chairman Baucus and S. 364 sponsor by Senator Rockefeller
 - Will a number of their provisions be achieved without legislation, through a more sympathetic Administration?
- Import safety
 - Following a series of scares related to hazardous imported products, President-Elect Obama has advocated stronger import safety measures
 - Import safety scares were a driving force behind the sweeping Consumer Protection Safety Commission (CPSC) reforms enacted earlier this year
 - More legislation is likely, especially related to food and drug imports
 - Trade reform legislation introduced in the House (H.R. 6530) would make additional improvements to import safety by including penalties on importers who opt-in to a voluntary safety monitoring program

On the Issues: Tax

- President-Elect Obama will seek to institute a more progressive tax policy
 - The top two income tax brackets would return to their 1990's levels of 36% and 39.6%
 - Recent indications that, given the state of the economy, rather than repeal the Bush tax cuts for those brackets, President-Elect Obama could simply let them expire on schedule in 2011
 - For those making over \$250,000 annually, Obama would create a new top capital gains rate of 20% and would set the top dividends rate at 20%
 - President-Elect Obama would make permanent the Bush Administration's 2001 and 2003 tax cuts for the middle class and provide additional tax cuts and credits for lower-income people
 - Would eliminate the income tax for seniors making less than \$50,000/year
 - Would expand the Earned Income Tax Credit and create a \$1,000 "Making Work Pay" Tax Credit
 - Would expand and make permanent the child care tax credit
 - Would create a refundable \$4,000 American Opportunity Tax Credit to cover 100% of the first \$4,000 of qualified tuition expenses
 - Would institute a universal 10% Mortgage Interest Tax Credit
- President-Elect Obama has also proposed a number of tax code changes for businesses
 - Would eliminate capital gains taxes for small businesses and start up firms and lower the corporate tax rate for firms that expand or start operations domestically
 - Would offer a refundable health tax credit on employee premiums paid by small businesses
 - Would make permanent the R&D tax credit and renew the Production Tax Credit (PTC)
 - Would raise tax revenues by closing the "tax gap" and reducing "corporate loopholes"
 - Tax carried interest as ordinary income
 - Reallocate multinational tax deductions
 - Eliminate tax breaks for oil and gas companies
 - Clarify the Economic Substance Doctrine

On the Issues: Tax, cont'd

- While leaders in both Chambers have expressed interest in broad tax reform, the need to address the current economic crisis as well as tax-related components of the Administration's health care proposals may prevent consideration
 - Ways and Means Committee Chairman Charlie Rangel (D-NY) introduced H.R. 3970, a \$1.3 trillion tax overhaul plan in late 2007 and has indicated that the bill will serve as the basis for discussions for comprehensive reform this Congress
 - The bill would repeal the AMT, reduce the top corporate marginal tax rate from 35% to 30.5%, increase the child tax credit, and expand the Earned Income Tax Credit, among other things
 - Senate Finance Committee Chairman Max Baucus (D-MT) has indicated the need for comprehensive tax reform in 2009 or 2010 and held a series of hearings on the topic during the 2nd session
- Estate tax reform
 - Under current law, the estate tax will disappear completely in 2010 and return to 2001 levels in 2011
 - President-Elect Obama supports maintaining the estate tax at 2009 levels
 - Would exempt estates valued under \$3.5 million and set the maximum rate at 45%
 - Unclear whether the exemption would be indexed to inflation
- Congress will again need to address the Alternative Minimum Tax through either another temporary patch or full repeal
 - Expect continued differences regarding whether the fix should be offset
 - President-Elect Obama has expressed support for AMT reform

On the Issues: Labor

- President-Elect Obama, who had strong labor backing in the general election, is likely to push for key labor priorities early in his Administration – and larger Democratic majorities in both Chambers may facilitate passage
- The Employee Free Choice Act (“card check”)
 - Would establish stronger penalties for violation of employee rights when workers seek to form a union and during first-contract negotiations
 - Would allow employees to form unions by signing cards authorizing union representation
 - Would allow a federal mediator to impose a contract settlement in cases where a union and management cannot agree on a deal within 120 days
 - Business groups oppose the legislation, arguing that it will cost jobs and further weaken the economy
 - Card check legislation will remain a priority for Democratic leadership, but Senator leaders may not be able to secure enough votes to prevent a filibuster
 - The House passed the Employee Free Choice Act in 2007 (241-185), but the Senate failed to reach cloture (51-48)
- As a Senator, Obama was an original cosponsor of the Fair Pay Restoration Act, a bill to overturn the Supreme Court's 5-4 decision in *Ledbetter v. Goodyear Tire & Rubber Company*
 - The bill would restore the intent of Congress that workers must have a reasonable time to file a pay discrimination claim after they become victims of discriminatory compensation
 - The House has already passed the Lilly Ledbetter Fair Pay Act (by a margin of 247-171 on January 9), but prospects in the Senate are less clear
 - The House passed in 2007, but the Senate companion did not make it out of Committee
- President-Elect Obama also supports efforts to guarantee paid sick leave
- Assistant USTR for Labor likely to take on increased significance in an Obama Administration

On the Issues: OSHA

- As a Senator, President-Elect Obama challenged the Bush Administration's approach to workplace safety
- A Democratic administration with Congressional backing is likely to reinvigorate OSHA/MSHA, leading to stricter enforcement of workplace health and safety laws
 - Would likely push for new standards for reactive chemicals and cancer causing substances
 - Expect action on diacetyl, since Congress was unable to pass a House bill requiring an emergency rule on this substance
 - Congress failed to pass additional mine safety legislation and this issue will likely be revisited, either as legislation or additional rulemaking called for by the 2006 Mine Improvement and New Emergency Response Act
 - A return to the battle over ergonomics is expected
 - President-Elect Obama has pledged support to OSHA ergonomic regulations that would reinstate and update protections first established during the Clinton Administration but repealed by Bush Administration soon thereafter
 - Focus may be placed on expanding the scope of workers protected by OSHA
 - An Obama Administration is likely to promote more aggressive enforcement of existing regulations and apply stiffer penalties for violations
 - Fiscal considerations aside, all workplace safety organizations are more likely to receive funding required to effectively monitor the workplace

On the Issues: Climate Change

- President-Elect Obama supports a mandatory cap-and-trade system to reduce carbon emissions 80% below 1990 levels by 2050
 - Would auction 100% of the allowances, dedicating the revenue to the development of clean energy technology and investment in energy efficiency
 - Revenue would also be used to help workers and industries adapt to clean technology development and production (a focus on “green jobs”)
- As of July 2008, lawmakers in the 110th Congress had introduced more than 235 climate-related bills, resolutions, and amendments
 - In June, the Senate failed (48-36) to invoke cloture on EPW Chairwoman Boxer’s (D-CA) substitute to the Lieberman-Warner climate bill
 - The bill would reduce emissions 71% below 2005 levels by 2050
 - Following consideration, 10 manufacturing state Senators sent a letter to Majority Leader Reid and Sen. Boxer expressing concerns related to the impact of climate legislation on jobs and consumers, particularly in energy-intensive industries
 - On October 7, then-House Energy and Commerce Chairman Dingell (D-MI) and then-Energy and Air Quality Subcommittee Chairman Boucher (D-VA) released a discussion draft
 - Trading scheme designed to reduce emissions 80% below 2005 levels by 2050 and would cover roughly 88% of GHG emissions
 - On October 2, 152 House members wrote to Speaker Pelosi expressing their support for a cap-and-trade system and laying out a set of core principles
- EPW Chairwoman Boxer has announced plans to introduce two bills early in the 111th Congress
 - A bill to establish a grant program to reduce global warming emissions under the Clean Air Act with up to \$15 billion a year available to spur innovations in clean energy, including advanced biofuels
 - A bill to direct the Environmental Protection Agency to set up a cap and trade system for greenhouse gases that meets the goals laid out by the President elect

On the Issues: Climate Change, cont'd

- The Chairs of the Committees of jurisdiction in both chambers are staunch advocates of cap-and-trade legislation and both have increased with whom majorities to work
 - Energy and Commerce Chairman Waxman has formed a new Energy and Environment Subcommittee to be led by Rep. Ed Markey, who also has an aggressive climate agenda (and will continue to chair the Select Committee on Energy Independence and Global Warming)
 - Senator Boxer has indicated that, in an effort to elevate the importance of the climate debate, she may eliminate two related subcommittees, leaving the topic for the full Committee
- Reps. John Larson (D-CT) and George Miller (D-CA), sponsors of the America's Energy Security Trust Fund Act in the 110th Congress, along with others in Congress and a number of economists feel that a carbon tax is a simpler and more efficient solution
- Economic concerns may overwhelm the desire to institute an economy-wide cap-and-trade regime in the 111th Congress making "incremental" legislation more likely
 - Carbon, capture and storage (CCS)
 - Carbon controls for electric utilities
 - Senators Feinstein and Carper introduced legislation to establish a program to regulate the emission of greenhouse gases from electric utilities
 - Sen. Carper has also sponsored "4-pollutant" legislation to reduce SO₂, NO_x, mercury and CO₂ emissions from power plants
- International pressures will also affect climate policy
 - The Kyoto Protocol expires in 2012
 - Potential for a new international agreement to be negotiated at the November/December 2009 Copenhagen climate change conference
 - July 2009 G-8 Summit (Italy) is a key milestone leading to Copenhagen

On the Issues: Climate Change, cont'd

- Regulatory efforts may also affect the debate
 - Regulation of Greenhouse Gases under the Clean Air Act
 - EPA published an Advanced Notice of Proposed Rulemaking (ANPR) on July 11 which laid out a roadmap for regulation of greenhouse gases under the CAA
 - Response to the U.S. Supreme Court's decision in *Massachusetts v. EPA*
 - Court found that the CAA authorizes EPA to regulate tailpipe GHG emissions if EPA determines they cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare
 - The Obama campaign has indicated that it will regulate greenhouse gases under the Clean Air Act within 18 months if Congress fails to act
 - In 2005, EPA promulgated a rule to reduce air emissions from electric utilities in 28 eastern states and DC (the Bush Administration's most significant CAA initiative)
 - On July 11, 2008, the D.C. Circuit Court of Appeals vacated the CAIR rule in its entirety due to fatal and comprehensive flaws in the rule
 - On October 21, 2008, the D.C. Circuit ordered the parties to brief whether any party is seeking vacatur of CAIR in its entirety and whether the court should stay its mandate pending promulgation of another rule by EPA
 - On December 23, 2008, the D.C. Circuit reversed its vacatur and remanded CAIR to EPA (without a deadline for a new rule, but with encouragement to act expeditiously)
 - Congress was unable to enact a legislative fix in 2008, but it is a priority for incoming EPA Administrator Jackson and Senator Carper (D-DE)

On the Issues: Energy

- Driven by economic, national security, and environmental concerns, President-Elect Obama and Members of Congress on both sides of the aisle continue to advocate increased energy independence
 - Any energy policies will be inextricably linked to consideration of climate policy
- Renewable energy
 - President-Elect Obama favors a Renewable Portfolio Standard (RPS) requiring that 25% of electricity consumed in the U.S. be derived from clean, renewable sources by 2025
 - An RPS remains a priority for Democratic leadership, but is a problem for certain regions of the country that are less able to produce renewables such as wind and solar
 - Prior to final passage of broad energy legislation enacted in 2007, an RPS provision passed by the House was dropped and an RPS amendment was ruled non-germane during Senate consideration
 - President-Elect Obama is also an ardent supporter of next generation biofuels
 - Advocates large investments in the development of cellulosic ethanol, an increased Renewable Fuels Standard (RFS), and a national Low Carbon Fuel Standard
 - In Congress, expect continued debate surrounding the RFS and food vs. fuel concerns
- Technology
 - President-Elect Obama has proposes dedicating \$150 billion over 10 years to an energy-technology investment program, including wind, solar, and nuclear power if safe
 - Obama would increase funding for the commercialization and deployment of low-carbon coal technologies (and, potentially, ban new traditional coal facilities)
 - Encouraging research and development of carbon capture and storage technology is a priority for Congress
 - Rep. Boucher's Carbon Capture and Storage Early Deployment Act would create a Carbon Storage Research Corporation

On the Issues: Energy, cont'd

- Oil and gas
 - President-Elect Obama supports a “use it or lose it” approach to oil and gas leases and opposes drilling in ANWR
 - In Congress, expect continued partisan debate over drilling in the face of potential reinstatement of the ban on off-shore oil and gas drilling
 - He has also expressed support for a windfall profits tax on oil companies if price of oil exceeds \$80/barrel
 - Price gouging and NOPEC legislation passed the House by significant margins in the 110th Congress, but faced Presidential veto threats – both could resurface
- Expect continued efforts by bipartisan working groups in both Chambers to find the “right” mix of increased production, conservation and efficiency, and clean-energy solutions; proposals introduced in the 110th Congress could serve as the basis for work this Congress
 - The Senate’s “Gang of 20” proposal aims to:
 - Transition vehicles to non-petroleum fuels through R&D funding and tax credits
 - Enhance conservation and energy efficiency through R&D funding and tax credits
 - Pursue targeted and responsible domestic production
 - H.R. 6709, the National Conservation, Environment and Energy Independence Act sponsored by Rep. Abercrombie (D-HI) and former Rep. Peterson (R-PA)
 - Remove restrictions on energy development on the Outer Continental Shelf (OCS)
 - Prohibits leasing within 25 miles of the coastline of a state and allows coastal states to opt-out of production from 25-50 miles offshore
 - Provides tax incentives to promote alternative and synthetic fuels ranging from biomass to oil shale as well as energy efficient technology
 - The bill attracted 121 cosponsors from both sides of the aisle

On the Issues: Environment

- Water quality issues
 - Given his representation of Illinois, President-Elect Obama will place a great deal of emphasis on restoration of the Great Lakes
 - Along with other lawmakers in the region, Obama called for Congressional hearings into the Indiana Department of Environmental Management's decision to allow a BP refinery to release significantly more ammonia, treated solids and mercury into Lake Michigan
 - Will push for passage of the Great Lakes Collaboration Implementation Act to promote comprehensive restoration
 - Last year Congress passed the Great Lakes Legacy Reauthorization Act to fund contamination clean-up and will likely continue to focus on the region
 - President-Elect Obama will emphasize the need for greater federal investment in water infrastructure
 - Has expressed support for full funding of the Clean Water State Revolving Fund as well as a new stormwater cleanup program to manage runoff
 - The stimulus package approved by the House in September included \$6.5 billion to fund clean water and drinking water infrastructure improvements
 - In September, Senate EPW approved the Water Infrastructure Financing Act, which would provide \$38.5 million for revolving fund projects and also included a number of provisions related to drinking water regulations
 - President-Elect Obama has also indicated that increasing drinking water standards and regulating pollutants is a priority
 - In the 110th Congress, Chairwoman Boxer expressed concerns related to drinking water contaminants including pharmaceuticals, personal care products, and chemicals such as perchlorate and TCE
 - Expect greater efforts to mitigate the impact of climate change on water supplies
 - President-Elect Obama supports stricter monitoring and regulation of large livestock operations (CAFOs), with fines for violations of air and water quality standards

On the Issues: Environment, cont'd

- Chemicals management
 - The 110th Congress saw a number of oversight hearings as well as the introduction of legislation designed to regulate hazardous chemicals in consumer products
 - The CPSC reauthorization enacted in 2008 included a ban on phthalates and lawmakers have held a number of hearings and have introduced legislation to regulate bisphenol A (BPA) (both chemicals are used in the manufacture of plastics)
 - Response to an increasing number of scientific studies demonstrating the potential hazards of certain chemicals
 - Also driven by the EU's implementation of REACH, a comprehensive overhaul of its approach to chemical and product regulation
 - Environmentalists and many in Congress have indicated a desire to reform and strengthen the Toxic Substances Control Act (TSCA), enacted in 1976
 - Much like REACH, the Kid Safe Chemical Act introduced by Sen. Lautenberg in previous Congresses would establish a safety standard for each chemical on the market and shift the burden of proof from EPA to manufacturers ("precautionary principle")
 - While TSCA reform remains a priority, it is unclear whether the Committees of jurisdiction will act this year given competing priorities
 - Energy and Commerce Committee Chairman Waxman's decision to place toxics under the jurisdiction of the Consumer Protection Subcommittee rather than the new Energy and Environment Subcommittee may allow for quicker action
 - Legislation to extend and modify chemical security regulations likely as provisions expire next year

On the Issues: Environment, cont'd

- Reinstatement of Superfund taxes to fund cleanup of Superfund sites likely
 - Senators Clinton, Lautenberg, and Boxer and Reps. Blumenauer and Pallone introduced “polluter pay” legislation in the 110th Congress and President-Elect Obama has expressed support for such an approach
- Environmental justice policies within EPA will be a priority, with a special emphasis on the environmental health of low-income and minority communities
- In both the Administration and Congress, look for greater oversight and enforcement related to children’s health
- EPW Chairwoman Boxer plans to re-introduce legislation to elevate EPA to cabinet status to raise the profile of environmental issues, a move backed by key environmental groups
 - The legislation, which Boxer first introduced in the 107th Congress, would rename EPA as the Department of Environmental Protection Affairs
 - That bill would have also given the new secretary authority over international issues
 - The Obama Administration has not indicated whether it supports the move, but has expressed a desire to boost funding for the agency in an effort to step up enforcement and research efforts

On the Issues: Maritime and Fisheries

- Reauthorization of the Costal Zone Management Act will be high on the legislative agenda in the 111th Congress
 - Requiring consistency between federal offshore actions and state management plans has significant implications on ocean energy development
- A likely priority of the new Administration will be to push forward with promoting elimination of fisheries subsidies, reducing global overcapitalization of fishing fleets, and combating “IUU” fishing
- The Ballast Water Management Act did not pass the 110th Congress, though it will likely be reintroduced in the new Congress
 - In light of EPA’s passage of Clean Water Act rules regulating shipping discharge, the outlook for ballast water legislation is unclear and several regulatory battles loom
 - International considerations may require executive or Coast Guard action
- Competition over the Arctic Ocean has increased, a matter of great concern to Canada and Russia, as well
 - The new Administration will likely have to respond and build on a joint resolution passed by the 110th Congress urging U.S. leadership on negotiating an international treaty
- Legislation to ease fisheries rebuilding requirements was not successful in the previous Congress, and the path to passage in the 111th is difficult
- The 110th Congress failed to reauthorize the Coast Guard Act
 - Significant disagreement remains over new vessel safety and inspections restrictions

On the Issues: Health Care

- President-Elect Obama made health care one of his highest campaign priorities and is likely to work with the Democratic Congress to tackle several initiatives right out of the gate
 - Expansion of the State Children's Health Insurance Program (SCHIP)
 - Legislation to allow federal funding of stem cell research
- The Democratic Congress, with the support of an Obama Administration, will likely continue to emphasize controlling the cost of health care
 - Health Information Technology (IT)
 - Action stalled in the 110th Congress in part due to privacy concerns
 - Boosting the generic drug industry
 - Renewed consideration of legislation to allow FDA to approve generic versions of biologics
 - Safe importation of drugs
 - Comparative effectiveness to ensure availability of information regarding cost and quality
- Congress may finally attempt a comprehensive overhaul of the Medicare payment system, which is currently dictated by the Sustainable Growth Rate (SGR) formula
 - Looming cuts to the Physician Fee Schedule triggered by the SGR have repeatedly prompted Congressional action to stave them off
 - The most recent temporary fix was enacted in July and expires in January 2010, at which point physicians will be faced with a 20% Medicare payment cut
 - An inability to come to an agreement in terms of how to pay for the spending growth has prevented a long-term fix
 - Cuts to the Medicare Advantage program (private insurance plans) were frequently proposed by Democratic leadership, but opposed by the Bush Administration

On the Issues: Health Care, cont'd

- Expanded health care coverage is a Democratic priority, but sweeping changes may be difficult early in the new Administration, especially given the state of the economy
 - President-Elect Obama advocates a new national health plan for all Americans to obtain affordable health care coverage – with guaranteed eligibility, affordability, and portability
 - Wants universal coverage by 2012 (would only mandate health insurance for children)
 - Would require employers that don't contribute to the cost of health care for their employees to contribute toward the cost of the national plan (small employers would be exempt)
 - Would provide subsidies to low-income families to buy insurance
 - This could be a legacy issue for individuals like HELP Committee Chairman Kennedy (D-MA) and Rep. Dingell (D-MI), who are long-time advocates of health care reform and may view this political climate as their best chance at systemic changes
- The unsustainable growth of entitlement programs (Medicare/Medicaid) is an issue that many are stressing be addressed
- The Democratic Congress will continue its oversight work investigating waste and inefficiencies in the Medicare Part D prescription drug program
 - Congress may overturn the ban on government negotiation of Medicare prescription drug prices, which was one of the new Democratic leadership's top priorities at the beginning of the 110th Congress
- The Supreme Court is now considering whether FDA approval of a prescription drug bars an injured patient from suing the drug maker, an industry position supported by the Bush White House
 - In the 110th Congress, then-House Oversight and Government Reform Chairman Waxman took an interest in the issue and released documents showing that regulatory staff at FDA objected to the White House position

On the Issues: Food and Drug Safety

- The FDA, and the U.S. Department of Agriculture's Food Safety & Inspection Service (FSIS) will likely introduce ambitious policy reform agendas designed to strengthen public health and consumer protections in several key areas
- Unfinished product safety legislative agenda of the 110th Congress likely to be renewed and advanced with increased momentum
 - Such legislation is likely to expand safety requirements for products regulated by FDA and FSIS
 - Expect expanded requirements for domestic product manufacturers, but major focus will remain on products and ingredients from foreign suppliers
 - Product safety legislation in the 111th Congress will be shaped by the provisions of key bills introduced during the 110th Congress, including:
 - Broad FDA reform
 - The FDA Globalization Act of 2008 (discussion draft) sponsored by Energy and Commerce Committee Chairman Dingell
 - HELP Chairman Kennedy's Drug and Device Accountability Act (S. 3409)
 - Food safety
 - Senator Durbin's FDA Food Safety Modernization Act (S. 3385)
 - Rep. DeLauro's Food Safety Modernization Act of 2007 (H.R. 7143)
 - The Safe Food Enforcement, Assessment, Standards, and Targeting Act (H.R. 5904), sponsored by Reps. Costa and Putnam
 - The Safe and Fair Enforcement and Recall for Meat, Poultry and Food Act of 2007 (H.R. 3484), sponsored by Rep. DeGette

On the Issues: Food and Drug Safety, cont'd

- Role of economic factors
 - Expect heightened Congressional interest in the cost effectiveness of FDA and FSIS administered product safety programs
 - Alternative funding mechanisms for federal regulatory programs (e.g., facility registration fees and other “user fees”) are possible as is a greater interest in the role that fee-for-service third party certification systems (e.g., certification of product safety plans) may play in achieving product safety and supply chain security goals
- Consolidating, reorganizing, and modernizing food and drug regulatory regime likely to reemerge and gain further support in the new administration
 - Creation of a new “single food agency” comprised of federal food regulatory programs administered by FDA, FSIS, and the Department of Commerce
- President-Elect Obama’s goal of achieving significant health care policy reforms is likely to have additional significant implications for both food and drug products regulation
 - Increased focus on prevention of obesity, diabetes, cardiovascular disease, cancer, and other diet-related diseases
 - Legislative and regulatory proposals to expand regulation of nutrition quality of foods and beverages marketed to children and nutrition and health related information in food and beverage labeling, advertising, and other product marketing vehicles are likely to gain momentum
 - Increasing regulatory scrutiny of the costs and benefits of drugs and medical products
 - Regulatory proposals to reform FDA policies to contain or reduce health care costs
 - Proposals to expand regulatory support for OTC drugs and other consumer self-care products
 - Increased availability of generic drugs and biologics
 - Post-market regulatory controls to reduce adverse health effects attributable to FDA-regulated products

On the Issues: Consumer Protection

- Federal Trade Commission
 - The Obama Administration may look to bolster the FTC by increasing its jurisdiction, budget and powers
 - Possible measures include legislation to:
 - Expand FTC jurisdiction to regulate common carriers and non-profit entities
 - Expand the authority of the FTC to include the right to seek civil penalties for violations of FTC Act
 - Permit the FTC to file federal court lawsuits in its own name
 - Expand the FTC's ability to pursue those who assist and facilitate unfair or deceptive acts or practices
- Lender oversight
 - Given the current economic crisis and its roots in the housing market, the Obama Administration may push for consumer protections related to consumer lending
 - May mandate accurate mortgage loan disclosures in form of simplified, standardized borrowing metric
 - Congress and Administration may seek to define “mortgage fraud” and bolster penalties for acts deemed to meet that definition
- New standards for advertising claims
 - FTC will likely update its 15 year old guidance on environmental marketing claims
 - Will likely address new “green” claims related to: “carbon footprint” “renewable” and “biobased”
 - May look to regulate social networking websites and blogs
 - Advertisers claims related to nutrition, health, children, and descriptions of financial services will likely face heightened Commission scrutiny

On the Issues: Technology/Telecommunications

- The new Congress and Administration will encounter a landscape that in recent years has trended towards deregulation
- These leaders may need to address several regulatory issues, including, among others:
 - Whether to roll back the recent deregulatory trend
 - Whether or how to protect consumers from “novel” fees and onerous user requirements
 - How to address consumer privacy concerns
 - How to respond to any consumer complaints that surface in the wake of the February 2008 digital cable conversion
- The most immediate factor impacting policy will be who leads the Congressional Commerce Committees and who is chosen to lead the Federal Communications Commission
- The Obama campaign put forth several positions on communications and telecommunications, that may serve as a guide to how the new leaders will proceed; these included, among others:
 - Supporting the principles of network neutrality and fostering open competition on the internet
 - Strengthening privacy protections and supporting stronger enforcement of privacy rights
 - Updating communications infrastructure including deploying infrastructure to support broadband growth
 - Increase government oversight of merger activity to ensure competitiveness and protect consumer welfare

On the Issues: Infrastructure

- President-Elect Obama has railed against the "lack of investment" in infrastructure and identified "our transportation systems, including our roads and bridges" as a "top priority"
- Infrastructure investment will be a priority in the 111th Congress, and the definition of "infrastructure" can be far-reaching
 - Roads, tunnels, bridges, airports, waterways/ports, water systems, railways, electric grid
- While infrastructure will be a large component of the economic stimulus early this Congress, lawmakers will continue to focus on the issue as they work to reauthorize national highway and transit legislation which expires in September
 - Senate EPW Chair Boxer (D-CA) has named it a top priority and House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) has said that the measure could total as much as \$450 billion
 - In comparison, the last highway bill, passed by Congress in 2005, totaled \$286 billion
 - Revenue will be an issue, especially in light of declining receipts through the federal gas tax
 - Could include an increase in the federal gas tax as well as creative alternative financing solutions
 - President-Elect Obama advocates the creation of a new National Infrastructure Reinvestment Bank to expand and enhance existing federal transportation investments
 - Given increasing scrutiny, "earmarks" could be limited in the bill
 - It is unclear how infrastructure funding in the economic recovery/stimulus package will affect the timing and size of this year's reauthorization bill
- Federal Aviation Administration (FAA) reauthorization will also be a priority

On the Issues: Infrastructure, cont'd

- Cargo security

- 100% screening of air and sea shipments required in 9/11 implementing legislation but Customs and Border Protection has expressed concerns about feasibility and harm to commerce
 - Air by 2010
 - 50% by 2009 and 100% by 2010
 - Concerns about bottlenecks at airports, costs to shippers to scan, and party responsible for paying under voluntary Certified Cargo Screening Program
 - Sea by 2012
 - Pilot programs at 7 foreign ports, but major feasibility obstacles need to be addressed
 - Congressional support, led by House Homeland Security Chair Bennie Thompson (D-MS), for 100% compliance at all ports
 - Customs and Border Patrol views 100% at 700+ ports impractical

On the Issues: Infrastructure, cont'd

- Cyber security
 - Protection of cyber infrastructure made strides in 2008, but more action is needed
 - DNI issued a comprehensive national cyber security initiative that will require continued attention under the new Administration
 - The main purpose of the initiative is to:
 - Assist federal government with securing its own networks
 - Assist private sector with improving cyber infrastructure
 - Trust issues between government and industry on sharing information on intrusions persist and will need to be addressed, potentially by:
 - Institutionalizing cyber threat reporting
 - Developing public-private model to share information
 - Achieving major R&D advancements on anti-intrusion technology
 - Other initiatives underway or contemplated include:
 - Industry development of global supply chain safeguards (hardware and software)
 - Moving cyber security jurisdiction from DHS to White House
 - Legislating security through a cyber SOX-type regime

On the Issues: Judiciary

■ Patent reform

- Advances were made during the 110th Congress and another attempt at comprehensive reform is expected this Congress
 - The House passed legislation, but a Senate bill stalled because of disagreement over damages provisions and competing legislation was introduced
 - In addition to damages, the bills attempt to deal with the proper venue for handling federal patent infringement disputes, fixing the post-grant opposition proceeding, and curbing abuses of the doctrine of inequitable conduct
 - Progress may be hampered by ongoing disagreement between industries due to the conflicting business models of various stakeholders (e.g., pharmaceuticals vs. high tech/financial services)

■ Immigration reform

- Comprehensive legislation (S. 1348) stalled early in the 110th Congress
 - That bill was thought to take a middle-ground approach, but failed to achieve compromise; piecemeal efforts followed
- Comprehensive reform remains a priority, but will be affected by economic conditions
 - Economic downturn and job losses could impact flow of illegal immigrants
 - At the same time, competition for jobs in a suffering economy could bring new focus
- The Obama campaign outlined a plan for immigration, which could serve as a guide to a new run at comprehensive reform; it included:
 - A conditional path to citizenship for illegal immigrants
 - Improvements to the immigration system as outline in S. 1379 (introduced by Senator Obama)
 - Enhanced border security through additional personnel and use of technology
 - Creation of an employment verification system
 - Expedited citizenship process for immigrant soldiers

On the Issues: Foreign Investment

- Economic downturn and scrutiny on financial system may draw public attention to role of foreign direct investment (FDI) in U.S. economy
- Adverse economic conditions could result in foreign investors looking for cheap buys of U.S. companies, or could keep foreign investors away while U.S. businesses and the economy recovers
 - FDI can assist with recovery; could particularly support job growth
 - May also increase national security risks
- The Obama campaign promised to balance the costs and benefits of FDI and remedy alleged Bush administration failures in this area
 - Will work to make the U.S. economy attractive to foreign investors by investing in productivity and attending to fiscal strains, among other things
 - Will build off of progress made in the Foreign Investment & National Security Act of 2007
 - Pledged to strictly enforce relevant laws and communicate with Congress regarding executive branch activities regarding FDI

On the Issues: Oversight

- Focus of Congressional investigations will likely shift from the Executive Branch to the private sector
 - Some residual Executive Branch focus may remain regarding alleged influence of certain industries on the Bush Administration
 - Congress will likely use its oversight powers to highlight issues in specific industries in an effort to advance new legislative and regulatory agendas
- Specific industries and issues that may receive increased attention include:
 - Financial Services
 - Continue review of the use of Troubled Asset Relief Program (TARP) funds and other regulatory actions under the Emergency Economic Stimulus Act
 - Investigate the role of hedge funds, subprime mortgages, and credit default swaps in financial crisis
 - Review related industries including insurance, credit cards, and student loans
 - Generally explore financial services industry regulation to build support for streamlining financial regulatory system
 - Government Contracting
 - Investigate contracting, particularly in the areas of defense and energy, with a view to identifying waste and effecting structural reform

On the Issues: Oversight, cont'd

- Health Care & FDA

- Identify gaps and perceived abuses in health care system to support legislative initiatives
- Study health care costs, including prescription drugs and government health care programs
- Examine food and import safety
- Consider regulation of food and drug industries to build support for modernizing the regulatory framework

- Small Business Programs

- Scrutinize Bush Administration small business policies to force change in approach to and availability of small business loans

The Year Ahead: Key Questions

- A number of key questions yet to be answered may dictate the direction and outcome of key policy initiatives in the year ahead.
 - How will the world respond to President Obama? Will he have a window to lead in key international efforts, such as the economy, climate change, and the war on terror?
 - Will President Obama's electoral success nationwide, across all regions and such broad demographic groups allow him a more centrist approach?
 - With Democrats controlling both Chambers, will President Obama be able to moderate the party and govern from the middle? Will he be pushed by more activists supporters?
 - Will those activist supporters remain committed to helping an Obama Administration advance its agenda? How will they react if their priorities aren't enacted in 18 months?
 - Will Obama use his extensive net-roots political support to help move his policy agenda?
 - How will the Republican party respond to the election? Will they work across the aisle on key policy priorities, appealing to moderates and independents? Or will they attempt to draw greater distinctions with the Democratic party and push for more limited government, appealing to the base?

The Year Ahead: Key Questions, cont'd

- What control will an Obama Administration have over the legislative agenda in Congress? Will there be a “honeymoon” period?
 - How much will the Administration’s broad policy agenda be overwhelmed by the economic situation?
- Recognizing the focus on economic issues, where do national security issues, including the wars in Iraq and Afghanistan and the war on terror, rank?
- Looking ahead to 2010, will we see a Republican resurgence? Will voters respond if a Democratic Administration and Congress overreach?
- How will the media respond to Democratic control of both Congress and the Administration? What is the role of the “non-mainstream” media (YouTube, blogs, etc.)?

Election Results and Analysis

2008 Election Results

- **Barack Obama is the 44th President of the United States**

- He is the first African-American President
- He is the first sitting Member of Congress elected president since Sen. John F. Kennedy of Massachusetts won in 1960
- He won 365 electoral college votes
- He won 52.8% of the popular vote
 - Highest for a Democrat since Lyndon Johnson in 1964

- **United States Senate**

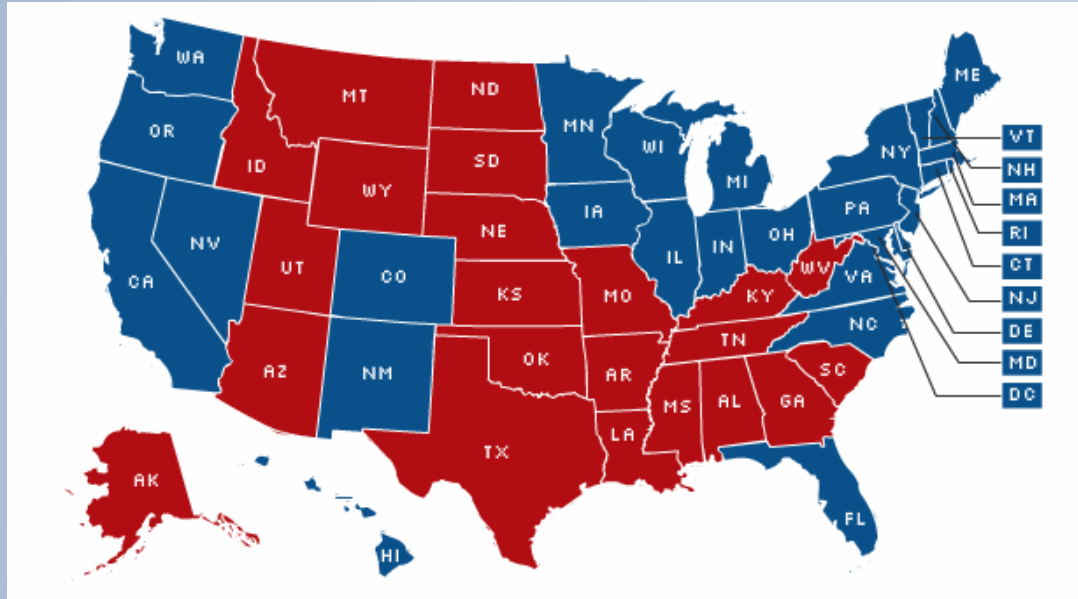
- 56 Democrats (a pick-up of at least 7 seats)
 - An additional 2 Independents who currently caucus with the Democrats
- 41 Republicans
- Minnesota race outstanding
- 4 new Senators to replace President-Elect Obama (D-IL), Vice President-Elect Biden (D-DE), and cabinet nominees Hillary Clinton (D-NY) and Ken Salazar (D-CO)

- **U.S. House of Representatives**

- 256 Democrats (a pick-up of 20 seats)
- 178 Republicans
- 1 vacancy (Rep. Rahm Emanuel (D-IL) has resigned to serve as Obama's Chief-of-Staff)

- First time since the 103rd Congress (1992-1993) that Democrats will control the Presidency and both Chambers of Congress

2008 Electoral Map



365 Obama

173 McCain

- Obama's presidential campaign expanded the Democratic electoral map
 - Indiana and Virginia voted for the Democratic presidential candidate for the first time since 1964 and North Carolina has not supported a Democratic nominee since 1976
 - Ohioans selected the winner in their 12th straight presidential election

Battleground States: Changing the Electoral Map

Total Electoral Votes: Obama 365; McCain 173

- Obama won every state carried by Senator Kerry, the Democratic nominee in 2004. Outcome in battleground states that were carried by Kerry (with number of Electoral Votes):

MN (10): Obama by 10 points <i>Obama led by 11.3 points one-week out</i>	NH (4): Obama by 10 points <i>Obama led by 7.7 points one-week out</i>
PA (21): Obama by 11 points <i>Obama led by 10.8 points one-week out</i>	WI (10): Obama by 13 points <i>Obama led by 10.6 points one-week out</i>

- Obama won 9 states carried by President Bush in 2004:

CO (9): Obama by 7 points <i>Obama led by 6.2 points one-week out</i>	VA (13): Obama by 5 points <i>Obama led by 7.3 points one-week out</i>
IA (7): Obama by 9 points <i>Obama led by 11.4 points one-week out</i>	FL (27): Obama by 2 points <i>Obama led by 2.7 points one-week out</i>
IN (11): Obama by 1 point <i>Obama led by 0.3 points one-week out</i>	NM (5): Obama by 15 points <i>Obama led by 8.4 points one-week out</i>
NV (5): Obama by 12 points <i>Obama led by 3.5 points one-week out</i>	NC (15): Obama by less than 1 point <i>Obama led by 1.6 points one-week out</i>
OH (20): Obama by 4 points <i>Obama led by 6.0 points one-week out</i>	

Exit Polling: Demographics

- Age
 - 2 million more voters aged 18-29 voted in the 2008 election than in the 2004 election
 - Voters aged 18-29 supported Obama by a 2 to 1 margin
 - 53% of voters over the age of 65 voted for McCain while 45% voted for Obama
 - While McCain had an early and significant advantage in this key demographic, the closing weeks of the election saw movement toward Obama, mainly based upon economic issues
- Race
 - African Americans represented about 13% of all voters and overwhelmingly supported Senator Obama with 95% voting for the Democrat
 - Likely played a key role in traditionally Republican states such as Indiana and North Carolina
 - Similarly, Hispanic Americans supported Senator Obama by a 2 to 1 margin
 - In 2004, President Bush was supported by 44% of Hispanics
- Gender
 - Male voters were almost evenly split between Senators McCain and Obama with some exit polls suggesting support for each candidate to be around 49%
 - 56% of female voters, however, supported Senator Obama
- Independents
 - A majority of the ever coveted block of voters known as Independents supported Senator Obama
 - 51% of exit poll respondents said they supported Senator Obama at the polls

Exit Polling: Key Issues

- The Economy: THE single most important issue
 - 62% of voters rated the economy as the number one issue
 - Those voters went for Senator Obama 54% to 44%
 - Not since 1980 has the economy dominated the mindset of the electorate to that extent
 - Senator Obama began to pull ahead in the polls in mid-September, mainly due to his handling of the economic crisis
 - September 7: Government seized control of GSEs Fannie Mac and Freddie Mae
 - September 8: McCain 48.3%, Obama 45.4% (*Real Clear Politics* average)
 - September 15: Senator McCain declared “the fundamentals of our economy are strong”
 - September 16: McCain 46.3%, Obama 45.0%
 - September 24: Senator McCain suspended his campaign to return to Washington to help negotiate a financial rescue package
 - September 25: Obama 47.8%, McCain 44.5%
 - September 29: the House failed in its first attempt to pass an economic rescue package and the stock market lost 7% of its value
 - September 30: Obama 48.8%, McCain 44.0%
 - October 3: Rescue packaged signed into law
 - October 4: Obama 49.3%, McCain 43.3%

Exit Polling: Key Issues, cont'd

- Economy, cont'd
 - 85% of voters said they are worried about economic conditions
 - 81% were either very worried (48%) or somewhat worried (33%) that the economic crisis would hurt their family
- National security
 - Whereas terrorism was tied with the economy as the top issue in 2004, only 9% cited terrorism this year
 - Those voters went for McCain by a 6-1 margin
 - 10% cited the war in Iraq
- Health care
 - Identified as the top issue by 9% of voters, but also linked to economic concerns
 - Two thirds of voters indicated they were worried about not being able to afford healthcare
- Social “values” issues such as gay rights, gun rights, and abortion barely a factor
 - 22% of voters cited moral values as their top issue in 2004
- Experience
 - 1 in 5 voters voted with experience in mind

Key Factors that Influenced the Election

- Unparalleled voter interest
 - Turnout
 - Currently estimated to be about 64%
 - Highest since 1964
 - Early voting
 - Roughly 30% of voters cast their ballots through absentee or early voting prior to election day
 - Registration
 - An estimated 153.1 million Americans registered to vote by Tuesday, representing almost 74% of the eligible population (WSJ, 11/3)
 - The previous high, set in 1964, was 72.1%
 - Since 2004, the number of registered Democrats has increased by 2.9 million (an estimated 1.4 percentage points); Republican registration has declined by almost 1.5 million
 - Primaries
 - Democratic primary records were set in 23 states and Republican records were set in 10 states
 - Overall turnout (30.2% of the electorate) fell just short of the all-time high set in 1972 (30.9%)

Key Factors that Influenced the Election, cont'd

- Dissatisfaction with President Bush
 - President Bush's approval rating stood at 28% on November 3rd
 - At the time of the election, close to 9 in 10 Americans felt the country was on the "wrong track"
 - Since WWII, only once has one party maintained control of the presidency for three consecutive terms
 - George H.W. Bush's election in 1988 following President Reagan's two terms
- The Enthusiasm Factor
 - In the last WSJ/NBC poll before the election, almost twice as many respondents (44%) rated their opinion of Obama as "very positive" than they did McCain (24%)
 - Nearly 60% of Obama voters said they were excited about what Senator Obama would do as president
 - Less than 30% of McCain voters expressed similar enthusiasm

Key Factors that Influenced the Election, cont'd

- Resources: Obama's overall money advantage
 - Estimated that Obama raised nearly \$750 million (with the average donation under \$100)
 - McCain opting for public financing, limiting him to \$84 million in the general election
 - The RNC raised \$240 million
 - Obama's fundraising advantage allowed him to make inroads in long-held Republican states, including Florida, Georgia, Indiana, Montana, North Carolina, North Dakota and Virginia
 - Obama spent nearly \$21.5 million on TV ads from October 21-28, while the McCain campaign spent just \$7.5 million in the same period (University of Wisconsin Advertising Project)
 - That figure does not include the \$3-5 million spent on the 30 minute infomercial Obama aired on 7 television networks October 29
 - More than 70% of Obama's advertising spending went to states that voted for President Bush in 2004 (University of Wisconsin)
 - The majority of McCain's funds were spent playing defense, airing advertisements in traditionally Republican states
- The cash advantage also allowed him to capitalize on the ground
 - Democrats opened 770 offices nationwide, again many in traditionally Republican territory, compared to 370 national offices opened by McCain
 - As of mid-October, the Obama campaign employed an estimated 4,500 workers, compared to McCain's 1,100

Key Factors that Influenced the Election, cont'd

- Technology: A Net-Roots Campaign
 - The Obama campaign's grasp of technology allowed it to achieve record levels of interest and support (financial and otherwise)
 - Elevated the interest and participation of younger voters, the anchor of Obama's support in both the primary and general election campaigns
 - Pervasive reach allowed him to be competitive in traditionally Republican markets
 - While this was not the first Presidential campaign to utilize the Internet, Senator Obama revolutionized the interactive use of the Internet in campaigns
 - Recruiting and maintaining unprecedented network of over 3 million contributors
 - Recruiting and organizing volunteers
 - Online phonebanking
 - Interactive sites like Facebook and Twitter facilitated social networking
 - Senator Obama also utilized text messaging to remind supporters to vote in their primary and general elections, to tune into the convention and the debates, and to volunteer their time
 - Senator Obama gave supporters a text message "head's up" when he selected Joe Biden as his running mate
 - The 24-hour news cycle
 - Cable news
 - YouTube, Internet news sites (Drudge, The Politico) and blogs (The Huffington Post, The Atlantic's Marc Ambinder)

2008 Election Analysis: U.S. Senate

- Increased Democratic Majority
 - 56 Democrats, a pick-up of at least 7 seats
 - Includes 2 Independents who currently caucus with the Democrats
 - 41 Republicans
 - Minnesota race outstanding
- Democrats did not reach the 60 seats needed for “filibuster-proof” majority
 - Something no President has enjoyed since Jimmy Carter
 - Democrats held 61 seats in the 95th Congress (1977-1979)

Results of Key Senate Races

* Change in Party Control

STATE	WINNER	PERCENTAGE
Virginia*	Mark Warner (D) <i>OPEN (Warner, R)</i>	Warner 64%; Jim Gilmore (R) 34%
New Mexico*	Tom Udall (D) <i>OPEN (Domenici, R)</i>	Udall 58%; Steve Pearce (R) 41%
Colorado*	Mark Udall (D) <i>OPEN (Allard, R)</i>	Udall 53%; Bob Schaffer (R) 41%
New Hampshire*	Challenger Jeanne Shaheen (D)	Shaheen 52%; John Sununu (R) 44%
North Carolina*	Challenger Kay Hagan (D)	Hagan 52%; Elizabeth Dole (R) 44%
Oregon*	Challenger Jeff Merkley (D)	Merkley 48%; Gordon Smith (R) 46%
Alaska*	Challenger Mark Begich (D)	Begich 47%; Ted Stevens (R) 46%
Louisiana	Incumbent Mary Landrieu (D)	Landrieu 50%; John Kennedy (R) 46%
Mississippi	Incumbent Roger Wicker (R)	Wicker 55%; Ronnie Musgrove (D) 45%
Kentucky	Incumbent Mitch McConnell (R)	McConnell 52%; Bruce Lunsford (D) 47%
Georgia	Incumbent Saxby Chambliss (R)	Defeated Jim Martin (D) in December runoff

- Minnesota race outstanding: Incumbent Senator Norm Coleman (R) and Al Franken (DFL)

Newly-Elected Senators

AK	Mark Begich (D) defeated Senator Ted Stevens. Begich spent 10 years as an Anchorage Assemblyman (1988-1998), and has served as the mayor of Anchorage since 2003.
CO	Mark Udall (D) replaces retiring Senator Allard. Udall was first elected in 1998 to represent CO's 2nd district in the U.S. House of Representatives. In the 110 th Congress, Udall served on the House Committees on Armed Services; Natural Resources; and Science & Technology.
ID	Jim Risch (R) replaces retiring Senator Larry Craig. Risch is the current Lieutenant Governor and former Governor of Idaho (finishing Dirk Kempthorne's term after he resigned to become U.S. Secretary of the Interior).
NE	Mike Johanns (R) replaces retiring Senator Chuck Hagel. Johanns is a former Governor of Nebraska and was the 38th U.S. Secretary of Agriculture (appointed in 2005).
NH	Jeanne Shaheen (D) defeated Senator John Sununu. She was the first woman elected Governor of New Hampshire in 1996. In 2005, she was named Director of Harvard University's Institute of Politics at the Kennedy School of Government, leaving the Institute in 2007 to campaign for Senate.
NM	Tom Udall (D) replaces retiring Senator Pete Domenici. Udall is a fifth-term Member of the U.S. House of representatives where he served on the House Appropriations Committee's Subcommittees on the Interior & Environment; Labor, Health & Human Service; and Education.
NC	Kay Hagan (D) defeated Senator Elizabeth Dole. She is a fifth-term member of the NC State Senate (27th District). Formerly, she was a vice president of North Carolina Bank (now Bank of America).
OR	Jeff Merkley (D) defeated Senator Gordon Smith. Merkley is the Speaker of the Oregon House of Representatives (47th district). He was first elected as a state Representative in 1999.
VA	Mark Warner (D) replaces retiring Senator John Warner. Mark Warner is the immediate former Virginia Governor. After a few years on the Hill (former staffer for Sen. Chris Dodd (D-CT)), Warner was involved in telecommunications venture capital.

Newly-Appointed Senators

- The November election of President-Elect Obama (D-IL) and Vice President-Elect Biden (D-DE) requires that new Senators be appointed by their home state Governors
- Additionally, President-Elect Obama has nominated two Senators for cabinet positions, and their Senate seats will need to be filled
 - New York Senator Hillary Clinton (D) has been nominated to serve as Secretary of State
 - Colorado Senator Ken Salazar (D) has been nominated to serve as Secretary of Interior

CO	Michael Bennet (D) was appointed by Governor Bill Ritter (D) to replace Senator Salazar, pending Salazar's confirmation as Secretary of Interior. Bennet has served as the superintendent of Denver public schools for the past 3 ½ years after serving as Denver mayor John Hickenlooper's chief-of-staff.
DE	Edward Kaufman (D) was appointed by Governor Ruth Ann Minner (D) to replace Vice President-Elect Joe Biden upon his resignation from the Senate (expected January 15). Kaufman was Senator Biden's chief of staff for 19 years and is a close personal friend. He does not plan to run for re-election in 2010.
IL	Roland Burris (D) was appointed by Democratic Governor Rod Blagojevich to replace President-Elect Barack Obama. Burris, former Illinois Attorney General, has not yet been sworn in due to controversy resulting from Federal charges against Blagojevich.
NY	Governor David Patterson (D) will appoint a successor to the seat held by Senator Clinton.

2008 Election Analysis: U.S. House

- Increased Democratic Majority
 - 256 Democrats
 - Democrats have not held a majority this large since the 103rd Congress (1993-1994), which had 258 Democrats and 176 Republicans
 - Republican losses did not meet prognostications, falling below estimates of a 30-40 seat Democratic pick-up
 - 178 Republicans
 - 1 Vacancy
 - Rep. Rahm Emanuel (D-IL) resigned to serve as Obama's Chief-of-Staff
 - Additionally, Rep. Hilda Solis (D-CA) will resign upon confirmation as Secretary of Labor
- Key Races
 - Open seat elections: Democrats won 12 out of 28 seats held by retiring Republicans
 - Out of the class of 31 Freshmen Democrats elected in 2006, many of whom won in traditionally Republican districts, only 3 were not re-elected
 - Democrats prevailed in seven of the nine closest House general elections
 - Of the 27 House races decided by less than 5 percentage points, Democrats were victorious in 17 and Republicans in 10

House Seat Changes

INCUMBENT LOSSES (Republicans)

SEAT	INCUMBENT	NEW MEMBER
CO-04	Marilyn Musgrave	Betsy Markey
CT-04	Chris Shays	Jim Himes
FL-08	Ric Keller	Alan Grayson
FL-24	Tom Feeney	Suzanne Kosmas
ID-01	Bill Sali	Walt Minnick
MI-07	Tim Walberg	Mark Schauer
MI-09	Joe Knollenberg	Gary Peters
NV-03	Jon Porter	Dina Titus
NY-29	Randy Kuhl	Eric Massa
NC-08	Robin Hayes	Larry Kissell
OH-01	Steve Chabot	Steve Driehaus
PA-03	Phil English	Kathy Dahlkemper
VA-02	Thelma Drake	Glenn Nye
VA-05	Virgil Goode	Tom Perriello

INCUMBENT LOSSES (Democrats)

SEAT	INCUMBENT	NEW MEMBER
FL-16	Tim Mahoney	Tom Rooney
KS-02	Nancy Boyda	Lynn Jenkins
LA-02	William Jefferson	Anh "Joseph" Cao
LA-06	Don Cazayoux	Bill Cassidy
TX-22	Nick Lampson	Pete Olson

House Seat Changes, cont'd

Open Seat Turnovers: All Democratic Pick-Ups

SEAT	RETIRING MEMBER (R)	NEW MEMBER (D)
AL-02	Terry Everett	Bobby Bright
AZ-01	Rick Renzi	Ann Kirkpatrick
IL-11	Jerry Weller	Deborah Halvorson
MD-01	Wayne Gilchrest <i>*defeated in primary</i>	Frank Kratovil
NJ-03	Jim Saxton	John Adler
NM-01	Heather Wilson	Martin Heinrich
NM-02	Steve Pearce	Harry Teague
NY-13	Vito Fossella	Mike McMahon
NY-25	Jim Walsh	Dan Maffei
OH-15	Deborah Pryce	Mary Jo Kilroy
OH-16	Ralph Regula	John Boccieri
VA-11	Tom Davis	Gerry Connolly

2008 Election Results: Gubernatorial

- With 11 races, Democrats added one seat to their majority of state Governorships
 - 29 Democratic Governors
 - 21 Republican Governors
- 3 open seat races
 - Switch in party control
 - Missouri: Jay Nixon (D) defeated Representative Kenny Hulshof (R) for the open seat vacated by Governor Matt Blunt (R)
 - No switch in party control
 - Delaware: Jack Markell (D) defeated Bill Lee (R)
 - North Carolina: Bev Perdue (D) defeated Pat McCrory (R)
- 8 Governors won re-election bids

Indiana: Mitch Daniels (R)	Montana: Brian Schweitzer (D)
New Hampshire: John Lynch (D)	North Dakota: John Hoeven (R)
Utah: Jon Huntsman (R)	Vermont: Jim Douglas (R)
Washington: Christine Gregoire (D)	West Virginia: Joe Manchin (D)

- Also, pending Arizona Governor Janet Napolitano's (D) confirmation as Secretary of Homeland Security, Republican Secretary of State Jan Brewer will become that state's Governor (resulting in a change of party control)

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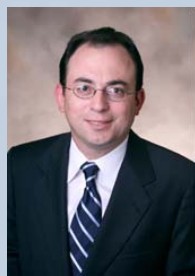
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