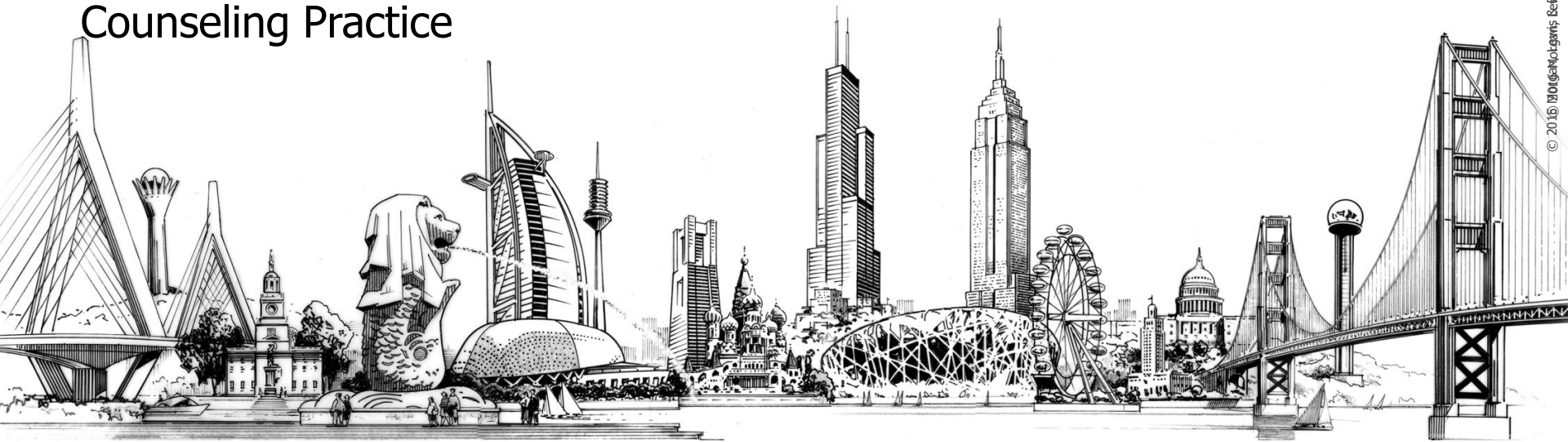


Morgan Lewis

**A POST-ELECTION VIEW FROM
WASHINGTON:
IMPACT OF THE 2016 PRESIDENTIAL
AND CONGRESSIONAL CONTESTS**

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I Guess We're Making America Great Again!



Donald Trump is the President-Elect, Whether Washington Likes it or Not.

- **Donald Trump won a surprising victory, defying polls and capturing Rust Belt states that had long eluded Republican presidential contenders.**
- Trump will be the first American president who is a true outsider with no prior government or military experience.
 - What does this mean? Trump's governing approach and philosophy are still largely unknown and won't be known until he takes office.
- Trump will enter the Oval Office with a clear majority in both houses of Congress, something George W. Bush did not have.
- Accordingly, he will have a greater ability to make appointments and drive a policy agenda.
- **But what will that agenda include?**

President-Elect Trump's 100 Day Agenda

- **In a late October speech in Gettysburg, Pennsylvania, then-candidate Trump outlined a policy agenda for his first 100 days.**
- In addition to a series of governmental reforms (e.g., Congressional term limits, five-year lobbying ban for former federal officials, hiring freeze, etc.), Trump announced the following policy pledges:
 1. Renegotiation of or withdrawal from NAFTA.
 2. Withdrawal from the Trans-Pacific Partnership.
 3. Labeling of China as a currency manipulator.
 4. Direct Commerce and USTR to identify foreign trading abuses and take action.
 5. Lift restrictions on development of American energy reserves.
 6. Move forward with energy infrastructure projects, like Keystone Pipeline.
 7. Cancel payments to UN climate change programs and redirect funds to US infrastructure projects.

President-Elect Trump's 100 Day Agenda (cont'd)

- In his Gettysburg speech, Mr. Trump also proposed the following specific legislative initiatives:
 1. Tax Reform and Middle Class Tax Cut (35% reduction for family of four)
 2. End the Offshoring Act – Increase tariffs to discourage exporting jobs
 3. American Energy & Infrastructure Act – Infrastructure investment bill
 4. School Choice and Educational Opportunity Act
 5. Repeal and Replace Obamacare Act
 6. Childcare and Eldercare tax deduction bill
 7. End Illegal Immigration Act, with provision for border wall
 8. Crime and Gangs Bill – Restoring Community Safety Act
 9. Restoring National Security Act – Military rebuilding and VA reforms
 10. New Washington Ethics Reform Bill

A Republican President, Senate, and House – What Does it Mean?



The chief business of the American people is *business*. They are profoundly concerned with producing, buying, selling, investing, and prospering in the world.

President Calvin Coolidge, Jan. 1925

Other Than Immigration and Trade, a Pro-Business Agenda

- Other than on President-Elect Trump's positions on immigration and trade, the Republicans in Washington appear unified behind a pro-business agenda.
 - Promotion of energy and energy infrastructure development
 - Pro-business tax reforms
 - Regulatory reform
 - Incentives to onshore jobs and create manufacturing jobs in US
 - Aspects of a federal infrastructure spending bill
 - Business-friendly appointments to Departments and independent Commissions
 - Repeal of many of President Obama's Executive Orders

Headwinds to Pro-Business Reforms

- It is unclear if trade issues and immigration will depend on cooperation on other pro-business reforms.
- Non-legislative items, such as Cabinet and Supreme Court nominations and budget issues, could slow down policy work.
- Although President-Elect Trump plans to propose an infrastructure spending bill, Republican Congressional leaders are likely to be concerned with funding.
 - Senate Republican Leader McConnell has already signaled that infrastructure spending is not a top priority in the Senate.
- House Speaker Paul Ryan could face an early challenge to his leadership, which could complicate the House's ability to push forward a unified legislative agenda.

Meet the New Congress

“Meet the new boss. Same as the old boss”

The Who

- Because Republicans held both houses of Congress, the majority leadership in both bodies and on most committees should stay largely the same.
- On the Democrat side, there are greater changes due to the retirement of outgoing Minority Leader Harry Reid and other senior members (e.g., Barbara Mikulski, Barbara Boxer). **New Senate Minority Leader is Charles Schumer**, who at one time was close to Trump.
- The primary difference in the next Congress will be that the Republicans have a President who is more likely to sign legislation and whose agenda and nominees they can move forward.

Likely Senate Leaders in the 115th Congress

| | Republican Leaders/Chairmen | Democratic Leaders/Ranking Members |
|---|-----------------------------|---|
| Majority Leader | Mitch McConnell (R-KY) | Chuck Schumer (D-NY) |
| Majority Whip | John Cornyn (R-TX) | Dick Durbin (D-IL) |
| Energy and Natural Resources Committee | Lisa Murkowski (R-AK) | Maria Cantwell (D-WA) |
| Environment and Public Works Committee | John Barrasso (R-WY) | Tom Carper (D-DE), Ben Cardin (D-MD), Bernie Sanders (I-VT) all possible |
| Finance Committee | Orrin Hatch (R-UT) | Ron Wyden (D-OR) |
| Health, Education, Labor and Pensions Committee | Lamar Alexander (R-TN) | Patty Murray (D-WA), Bob Casey (D-PA), Bernie Sanders (I-VT) all possible |
| Appropriations Committee | Thad Cochran (R-AL) | Patrick Leahy (D-VT), Patty Murray (D-WA) both possible |
| Commerce, Science and Transportation Committee | John Thune (R-SD) | Bill Nelson (D-FL) |

Likely House Leaders in the 115th Congress

| | Republican Leaders/Chairmen | Democratic Leaders/Ranking Members |
|---|--|------------------------------------|
| Speaker/Minority Leader | Paul Ryan (R-WI) | Nancy Pelosi (D-CA) |
| Other Leaders | Kevin McCarthy (R-CA) (Majority Leader) Steve Scalise (R-LA) (Whip) | Steny Hoyer (D-MD) (Whip) |
| Energy and Commerce Committee Chair | John Shimkus (R-IL) or Greg Walden (R-OR) | Frank Pallone (D-NJ) |
| Natural Resources Committee Chair | Rob Bishop (R-UT) | Raul Grijalva (D-AZ) |
| Transportation and Infrastructure Committee Chair | Bill Shuster (R-PA) | Pete DeFazio (D-OR) |
| Ways and Means Committee Chair | Kevin Brady (R-TX) | Sandy Levin (D-MI) |
| Appropriations Committee | Rodney Frelinghuysen (R-NJ) | Nita Lowey (D-NY) |
| Education and the Workforce Committee Chair | Virginia Foxx (R-NC) | Bobby Scott (D-VA) |

Looking Ahead to 2018 – More Changes?

- **Although Republicans currently control the White House and both houses of Congress, that may all change in 2018.**
- The president's party historically loses a large number of Congressional seats in midterm elections.
 - Democrats lost 63 seats in the House in 2010 and an additional 23 seats in 2014.
 - Republicans lost 31 House seats and 6 Senate seats in 2006.
- Republicans are projected to have a 23 seat majority (241 – 194) in the House and a 2 seat majority in the Senate (52 - 48)
- **Not so fast?** Democrats have to defend 25 seats of 33 seats in 2018, including five seats in deep red states.
 - Due to the gerrymandering of Congressional districts, there are fewer competitive districts than in the past, making it more difficult to swing a large number of seats.