



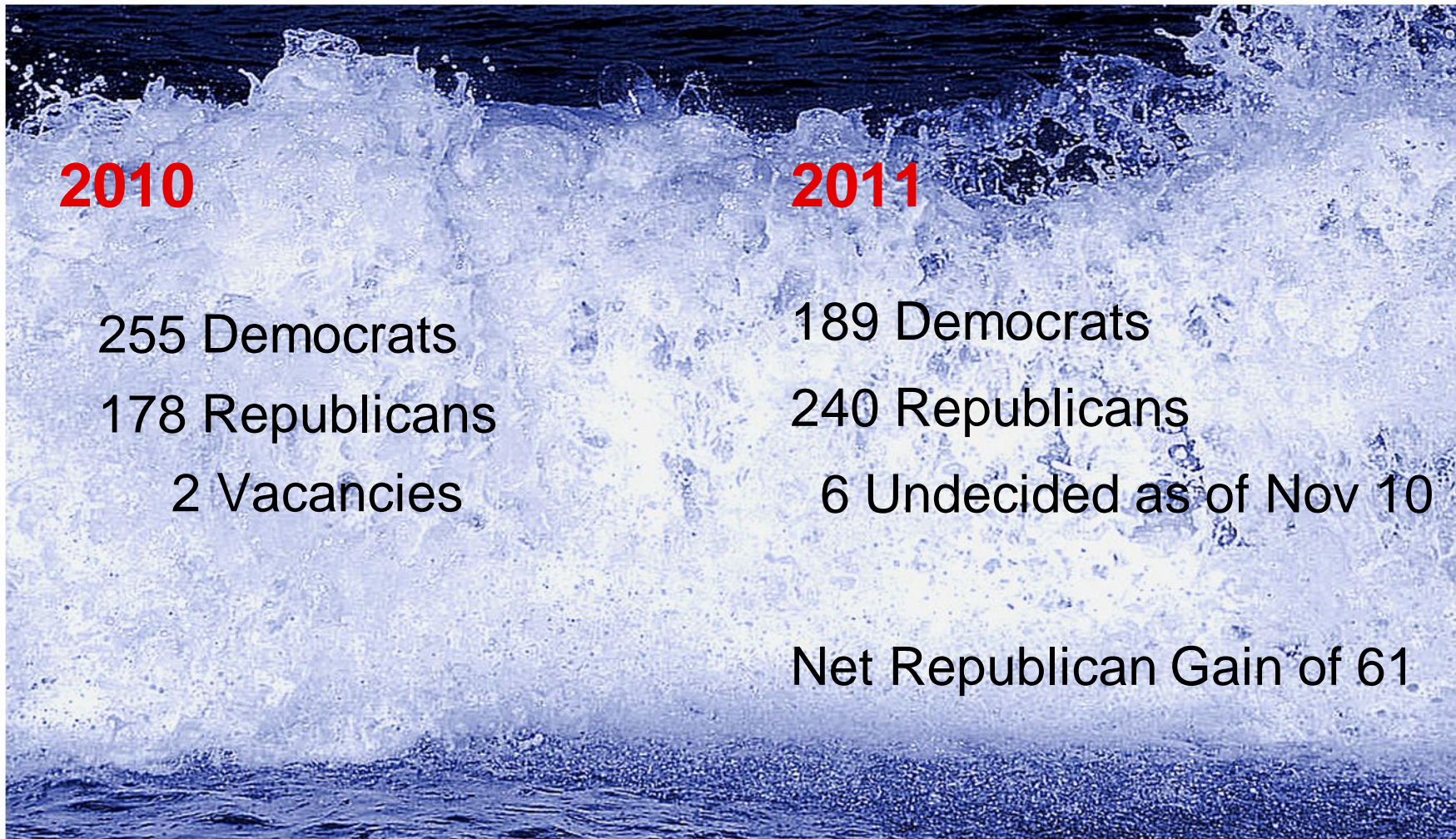
2010 Election: *Analysis and Impact*

November 16, 2010

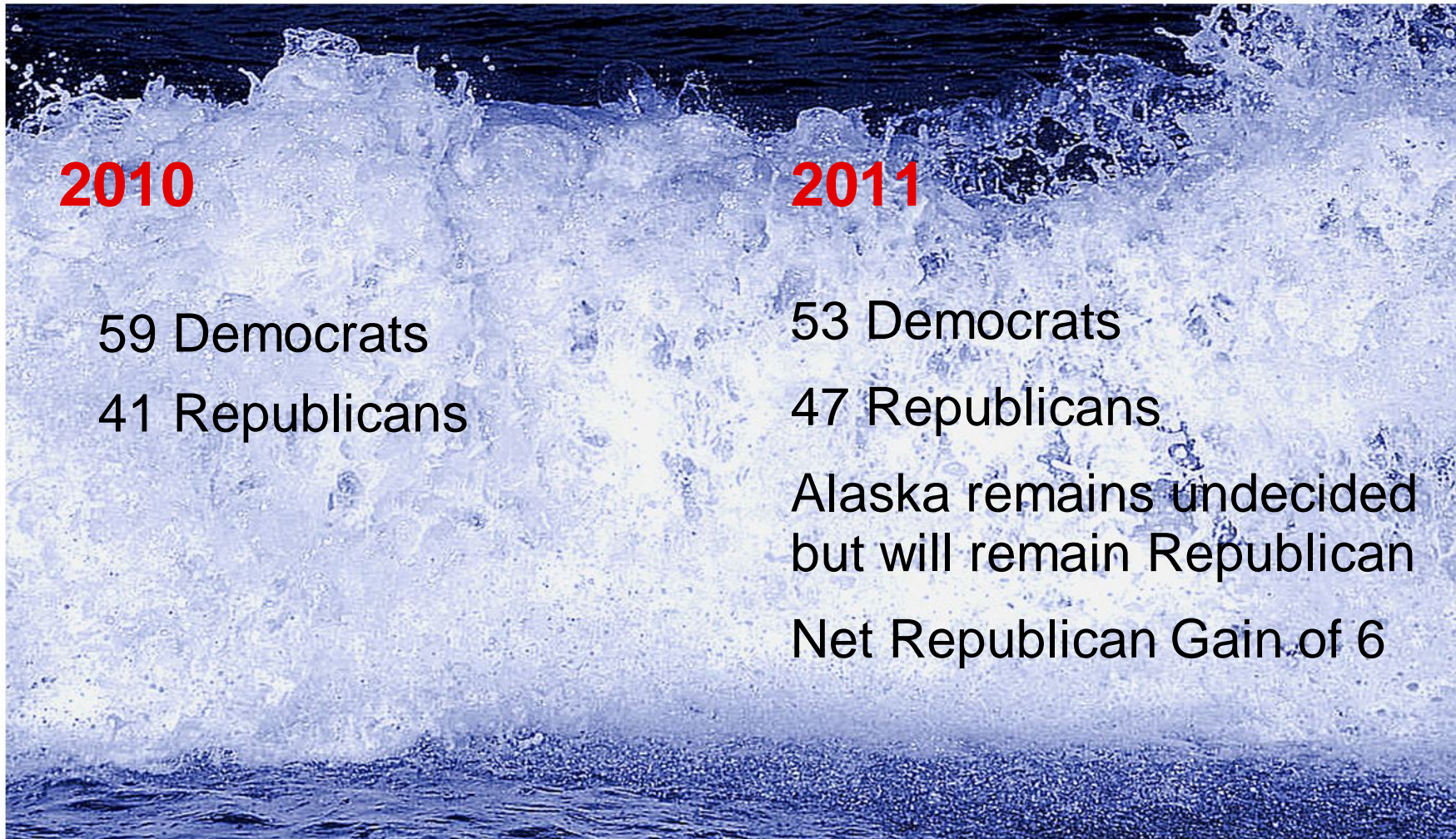
Brian Pomper

AKIN GUMP
STRAUSS HAUER & FELD LLP

Election Results – House



Election Results – Senate



The Casualties

- n Among the seats that flipped in the House-
 - ? 22 Freshmen Democrats (those elected in 2008)
 - ? 22 Veteran Democrats (those held since 2002)
 - ? 3 Committee Chairmen
 - ? Republicans fared well across varied geographic regions and in areas where they have underperformed in recent elections including:
 - | 7 seats in New England
 - | 6 seats in the Mountain West
 - | 5 seats each in Pennsylvania, Ohio and Illinois

- n Among the seats that flipped in the Senate -
 - ? Republicans picked up 3 “rust belt” seats in Pennsylvania, Illinois and Wisconsin where Democrats have strong voter registration advantages

Looking Ahead to 2011-12

n Divided Government

- ? Democratic Administration
- ? Democratic Senate with no fewer than 51 Democrats
- ? Republican House with at least 239 Republicans

House Leadership



Speaker of the House John Boehner (R-OH)



Nancy Pelosi* (D-CA)



Majority Leader Eric Cantor (R-VA)



Steny Hoyer (D-MD)



Majority Whip Kevin McCarthy (R-CA)



James Clyburn (D-SC)

*Democratic leadership may to change in coming days

Senate Leadership



Senate Majority
Leader Harry
Reid (D-NV)



Majority Whip
Sen. Dick
Durbin (D-IL)



Vice Chairman of
the Democratic
Caucus Sen.
Chuck Schumer
(D-NY)



Minority Leader
Mitch McConnell
(R-KY)



Republican
Whip Sen.
Jon Kyl
(R-AZ)



Republican
Conference
Chairman
Sen. Lamar
Alexander
(R-TN)

Finance/Ways & Means Leadership



Senator Max Baucus
(D-MT)
Chairman, Finance



Rep. Dave Camp
(R-MI)
Chairman, Ways &
Means



Senator Orrin
Hatch (R-UT)
Ranking Member,
Finance

Ways & Means Ranking Member

Rep. Sandy Levin (D-MI)



Rep. Richard Neal (D-MA)



But First...Some Unfinished Business

Outlook for Lame Duck Session (58 D's 42 R's)

- n Spending bills (or stopgap spending measure)
- n Extension of Bush tax cuts
 - ? 2001 & 2003 Rate Cuts
 - ? Estate Tax
 - ? Cap Gains & Dividend Rates
- n Tax extenders package (09 & 10)
- n AMT
- n Pay Fors
 - ? Carried Interest
 - ? Oil Spill Trust Fund
- n Deficit Commission
- n Medicare physician payments
- n FAA multiyear authorization (or short-term extension)
- n Ethics trials
- n Swearing in of 3 Senators
- n Extension of Preference Programs (ATPDEA and GSP)
- n TAA Reauthorization

Looking Ahead to 2011 2

The Macro Agenda

Revisiting the work of the 111th Congress

Fiscal issues will predominate

Framing the 2012 presidential campaign

The Administration

- o Rahm Emanuel/No Larry Summers

Ability to pivot?

Reaching out to business community

- Pending FTAs

- National Export Initiative

- PP

Looking Ahead to 2011-12

n 112th Congress

? House

- | Ways & Means Chairman Camp/Ranking Member Levin/Neal?
- | Projecting 12 new Republican Ways & Means members

? Senate

- | Finance Chairman Baucus/Ranking Member Hatch
- | Likely 1-2 new Republican Finance members
- | No new Democratic members
- | 23 Democrats up in 2012

The Congressional Agenda

n Trade

- ? What happened in the lame duck?
- ? Pending FTAs
- ? TPP
- ? Customs Reauthorization
- ? Preference Reform
- ? Russia PNTR

n Energy/Taxes

- ? Continued Hunt for Payfors
- ? Serious Discussion of Tax Reform

n Healthcare

- ? “Repeal & Replace” followed by piecemeal approach

n Spending

- ? Deficit Commission

Where Does President Obama Go?

- n Question: Does Obama stay the course or tack to the center?
- n Answer: Both
 - ? Will need to re-energize 2008 Coalition
 - ? Fiscal constraints will limit spending
- n Is KORUS an indication of what's to come?



2012 Elections

- n Presidential Race
- n Senate – Democrats Playing Defense with 23 Members Facing Re-election
- n House – New District Lines for All 435 Members