

New Leadership in Congress Emerges from Mid-Term Election

November 10, 2006

Following gains of at least 28 seats in Tuesday's election, Democrats seized control of the House of Representatives after 12 years in the minority. In the Senate, Democrats picked up 6 seats and gained control of the Senate with a 51-49 majority.

A change in control of Congress is always tumultuous. Republicans have lost control over all committees and the administration of Congress, and will lose coveted committee slots while their staffing budgets shrink dramatically. Most importantly, the ability to set the Congressional agenda and hold hearings has shifted to the newly empowered Democrats. As the dust from this election settles, Van Ness Feldman will provide periodic updates regarding the leaders and agenda of the next Congress. Here is our initial assessment of what to expect:

The Lame Duck Session

Congress will return next week to temporarily renew the "continuing resolution" that funds the federal government operations until the nine remaining fiscal year 2007 appropriations bills are enacted. Indications are that Congress will work for a week prior to Thanksgiving and then return for a two-week period beginning the week of December 4th to complete the appropriations measures. Many Members of Congress also hope to complete work on a limited number of other legislative initiatives including legislation to extend expiring tax credits and legislation to authorize oil and gas leasing on the Outer Continental Shelf. Yesterday, the President requested that Congress consider a nuclear technology deal with India, a free-trade agreement with Vietnam, and a plan to permit wiretapping of terrorism suspects without a court warrant. It is uncertain if these matters will be addressed.

Reorganizing the House of Representatives

House Democrats will meet on November 16th to elect their congressional leadership for the 110th Congress. It remains uncertain when Republicans will hold their leadership elections, but observers expect substantial changes, starting with Minority Leader.

As the majority party, the Democrats will chair and enjoy a membership advantage over Republicans on all committees. While ratios vary by committee, Republicans in the last Congress held a 5 seat advantage in the Energy Commerce Committee and 7 seat advantage on the Ways and Means Committee. Democrats are expected to establish a similar advantage in the new Congress. As the ruling party, Democrats will also enjoy a significant advantage over Republicans on staffing budgets for all committees. This will result in a significant downsizing in current Republican committee staffs.

House Committee Lineups

While Democrats are expected to appoint committee Chairmen based on seniority, it is less certain which Republicans will be selected as ranking members for the House Committees. A preliminary lineup of key House Committee leadership is as follows:

- **Agriculture:** Chair – Colin Peterson (MN); Ranking – Bob Goodlatte (VA)
- **Appropriations:** Chair – David Obey (WI); Ranking – Jerry Lewis (CA)
- **Energy and Commerce:** Chair – John Dingell (MI); Ranking – Joe Barton (TX)
- **Homeland Security:** Chair – Bennie Thompson (MS); Ranking – Peter King (NY)
- **Resources:** Chair – Nick Rahall (WV); Ranking – John Duncan (TN)

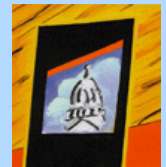
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- **Transportation and Infrastructure:** Chair – Jim Oberstar (MN); Ranking – Don Young (AK)
- **Ways and Means:** Chair – Charles Rangel (NY); Ranking – Jim McCrery (LA)

The Senate

Senate Democrats also saw substantial gains in Tuesday's election and have gained control of the Senate for the 110th Congress. Democrats gained seats in 6 states – Missouri, Ohio, Rhode Island, Pennsylvania, Montana and Virginia. These seats have given the Democrats a 51-49 advantage since Independents Bernie Sanders (VT) and Joe Lieberman (CT) both indicate that they will caucus with the Democrats in the Senate.

The Next Congress

The change of control to the Democrats portends a significant change in the policy agenda of the next Congress. Agriculture, energy, climate change, transportation, trade, and tax policy debates are all likely to be the focus of the 110th Congress.

Van Ness Feldman maintains strong relationships on both sides of the aisle and we are familiar with the lead issues that may emerge during the next session. We will keep you up to date as the policy agenda for the new Democratic leadership develops. If you would like more information on topics important to your business or to engage in strategic planning discussions regarding ways to advocate for your company's issues, please contact any member of our Public Policy group at (202) 298-1800 or www.vnf.com.

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