



110th CONGRESS	111th CONGRESS	OBAMA ADMINISTRATION																																		
<p>The 110th Congress set a record for “doing nothing,” despite holding a record number of votes.</p> <p>The first Democrat-controlled Congress in 12 years made very few policy changes, with the exception of passing a water resources bill over a Presidential veto, stimulus in the form of rebates, a minimum wage increase, a short term fix for the Highway Trust Fund, and the financial recovery package in the waning days of the Congress.</p>	<p>The 111th Congress will be forced to address many policy issues that previous Congresses have failed to address. At the top of the list include appropriations, health care reform, tax overhaul, social security, Medicare/Medicaid, health care reform, immigration reform, and infrastructure investment. Congress must immediately begin work on funding bills that were not passed in 2008.</p> <p>The first legislative issue to gain attention will likely be “Card Check” and entitlements such as health care reform. A recovery stimulus package and a technical fix for multi-employer pension plans will likely be at the forefront as well.</p> <div data-bbox="716 824 1268 1274" style="text-align: center;"> <p>House Makeup (+22 D, 11 TBD)</p> <p>New balance: (Estimate +/- 0)</p> <table border="1"> <tr> <th>Party</th> <th>Count</th> </tr> <tr> <td>Democrats</td> <td>258</td> </tr> <tr> <td>Republicans</td> <td>177</td> </tr> </table> <p>Majority</p> <p>Senate Makeup (+5D, 4 TBD)</p> <p>New balance:</p> <table border="1"> <tr> <th>Party</th> <th>Count</th> </tr> <tr> <td>Democrats</td> <td>56</td> </tr> <tr> <td>Republicans</td> <td>40</td> </tr> </table> <p>Majority</p> </div> <p>*2 Independents Caucus with Democrats</p>	Party	Count	Democrats	258	Republicans	177	Party	Count	Democrats	56	Republicans	40	<p>Barack Obama (D-IL) cruised to a historic White House victory on November 4 while the Democratic Congress increased its majorities in the House and Senate.</p> <p>President-elect Obama will have 76 days to fill top posts in the White House and across the Federal agencies.</p> <p>The incoming Obama team is considering a "listening tour" around the country on a wide variety of policy issues before Inauguration Day on January 20 in an attempt to build momentum for its policies and legislative plans.</p> <div data-bbox="1402 813 1982 1182" style="text-align: center;"> <table border="1"> <tr> <td>Obama</td> <td>349</td> <td>✓</td> <td>270 to win</td> <td>McCain</td> <td>173</td> </tr> </table> <table border="1"> <tr> <td>D</td> <td>Barack Obama</td> <td>✓</td> <td>52%</td> </tr> <tr> <td></td> <td>63,428,206 votes</td> <td></td> <td></td> </tr> <tr> <td>R</td> <td>John McCain</td> <td></td> <td>46%</td> </tr> <tr> <td></td> <td>56,084,236 votes</td> <td></td> <td></td> </tr> </table> <p>97% of precincts reporting</p> </div>	Obama	349	✓	270 to win	McCain	173	D	Barack Obama	✓	52%		63,428,206 votes			R	John McCain		46%		56,084,236 votes		
Party	Count																																			
Democrats	258																																			
Republicans	177																																			
Party	Count																																			
Democrats	56																																			
Republicans	40																																			
Obama	349	✓	270 to win	McCain	173																															
D	Barack Obama	✓	52%																																	
	63,428,206 votes																																			
R	John McCain		46%																																	
	56,084,236 votes																																			



ECONOMY AND TAXES		
110 th CONGRESS	111 th CONGRESS	OBAMA ADMINISTRATION
<p>Congress made attempts to energize the economy: a tax rebate stimulus check in early 2008, with additional tax incentives for capital equipment investments; a \$700 billion economic recovery package to loosen credit markets; and targeted tax cut extensions. The AMT, leasehold depreciation, clean energy, and business expensing tax cuts were not made permanent but were given their typical one-year extension.</p>	<p>The current tax structure is expected to undergo major changes beginning in 2010. If Congress fails to address the 2001 and 2003 Bush tax cuts, businesses could face increases in the marginal and capital gains tax rates and restoration of the death tax to a 55 percent rate.</p> <p>Increased Democrat majorities will make permanent extension of Bush tax cuts nearly impossible, but momentum to reform the “Death Tax” will gain traction because of the pending deadline.</p> <p>A major concern is the 3 percent withholding tax on government contracts, which Congress must repeal before January 1, 2011.</p> <p>Leadership and Committee of Jurisdiction: <u>House Ways and Means:</u></p> <ul style="list-style-type: none"> • Chairman Charlie Rangel (D-NY) • Ranking Member Jim McCrery’s (R-LA) retirement will lead Reps. Wally Herger (R-CA) and Dave Camp (R-MI) to compete for this coveted slot. <p><u>Senate Finance Committee:</u></p> <ul style="list-style-type: none"> • Chairman Max Baucus (D-MT) • Ranking Member Charles Grassley (R-IA) 	<p>President-Elect Obama supported the most recent economic stimulus package which provided up to \$1,200 to couples, and has said he would consider a second package that would include funds to states in need as well as funding for infrastructure projects as a means of creating jobs. He has voted against repealing the estate tax and would modify it to apply to estates valued and \$3.5 million and a 55 percent rate. He would raise the capital gains rate to 20-25 percent. He would raise the dividend tax to 39.6 percent and he would restore the top marginal rate to 39 percent on incomes above \$250,000.</p>



ENERGY AND ENVIRONMENT

110 th CONGRESS	111 th CONGRESS	OBAMA ADMINISTRATION
<p>A comprehensive national energy plan failed to gain approval despite increased attention. A provision barring off-shore drilling was allowed to expire, as well as passage of increased targeted tax credits for building and renovating energy efficient buildings.</p> <p>Leadership and Committees of Jurisdiction: <u>Energy Issues</u> <u>House Energy and Commerce:</u></p> <ul style="list-style-type: none"> • Chairman John Dingell (D-MI) is being challenged for his post by Rep. Henry Waxman (D-CA). • Ranking Member Joe Barton (R-TX) <p><u>Senate Energy Committee:</u></p> <ul style="list-style-type: none"> • Chairman Jeff Bingaman (D-NM) • Ranking Member Pete Domenici's (R-NM) retirement could be an opportunity for Alaska Sen. Lisa Murkowski. <p><u>Environmental Issues</u> <u>House Transportation and Infrastructure:</u></p> <ul style="list-style-type: none"> • Chairman James Oberstar (D-MN) • Ranking Member John Mica (R-FL) <p><u>Senate Environment and Public Works:</u></p> <ul style="list-style-type: none"> • Chairwoman Barbara Boxer (D-CA) • Ranking Member James Inhofe (R-OK) 	<p>If energy costs continue to increase, ANWR and increased drilling proposals could gain traction. An increased Democrat majority will bring more attention to mandates on energy conservation and, in particular, legislation to regulate and control greenhouse gas emissions from all sectors of the economy through emission caps and increased permitting. Such efforts, coupled with more stringent environmental requirements placed on contractors, could impact whether and how construction activities may take place. There may also be an effort to apply the California Air Resources Board (CARB) mandates for diesel equipment nationwide.</p> <p>There will also be an emphasis on creating "green jobs," by investing in projects designed to improve environmental quality and conserve resources.</p> <p>The House will likely continue to pursue amending the Clean Water Act to define navigable waters broadly, requiring contractors to obtain permits in more circumstances.</p>	<p>President-Elect Obama supports a carbon emissions cap-and-trade system with the goal of reducing emissions by 80 percent below 1990 levels by 2050. He pledged to invest \$150 billion over 10 years in clean energy; to double science and research funding for clean energy; and to promote oil independence by reducing oil consumption 25 percent by 2030. He would not support nuclear power at this time, and he opposes storing nuclear waste in Yucca Mountain.</p> <p>With respect to building construction, he has proposed to set goals to make all new buildings carbon neutral by 2030; set goals to improve new building efficiency by 50 percent and existing buildings by 25 percent over the next 10 years; and create competitive grants for state and locals that promote energy efficiency. While President-elect Obama opposes drilling in ANWR, he supports lifting the ban on off-shore drilling, only as part of a comprehensive energy policy. Finally, he backs a windfall-profits tax on oil companies.</p>



HEALTH CARE		
110 th CONGRESS	111 th CONGRESS	OBAMA ADMINISTRATION
<p>Health care was not a top priority for the 110th Congress. Health I.T. and mental health parity were the only components considered. New rules are being drafted to force employers to offer the same coverage for mental health as physical health.</p>	<p>AGC’s top health care priorities, including expansion of Health Savings Accounts and Association Health Plans, will not have a very good chance in an increased Democrat majority Congress. With failure to pass any substantive reform in recent years, Congress is at the point where they must address the issue. Proposals to increase mandates and regulations on small businesses to offer more coverage are distinct possibilities.</p> <p>Leadership and Committees of Jurisdiction: <u>House Education and Labor:</u></p> <ul style="list-style-type: none"> • Chairman George Miller (D-CA) • Ranking Member Buck McKeon (R-CA) <p><u>Senate Health, Education, Labor and Pensions Committee:</u></p> <ul style="list-style-type: none"> • Chairman Ted Kennedy’s (D-MA) health has led to the possibility for Sen. Chris Dodd (D-CT) to move into the chairman position. • Ranking Member Mike Enzi (R-WY) <p><u>House Ways and Means:</u></p> <ul style="list-style-type: none"> • Chairman Charlie Rangel (D-NY) • Ranking Member Jim McCrery (R-LA) (see above) <p><u>Senate Finance Committee:</u></p> <ul style="list-style-type: none"> • Chairman Max Baucus (D-MT) • Ranking Member Charles Grassley (R-IA) 	<p>President-Elect Obama wants to guarantee universal access to health care by making employers share in the costs. His plan includes mandatory health care for children. He would not support Association Health Plans or expanding Health Savings Accounts. Major concerns over the cost of his reform proposal could hamper his progress.</p>



LABOR AND IMMIGRATION

110 th CONGRESS	111 th CONGRESS	OBAMA ADMINISTRATION
<p>Congress passed a minimum wage increase in early 2007. Democrats considered many labor provisions, but they were unable to gain enough support to counter a Bush veto threat. The House did pass “Card Check” but only to have the legislation fail in the Senate.</p> <p>The Senate started the comprehensive immigration debate in early 2007, and when the procedural vote failed, the issue did not resurface. There were numerous attempts to penalize employers for immigration violations in many funding and authorization bills to little avail.</p> <p>Congress did extend funding for the “E-Verify” program until early 2009 and an executive order requiring Federal contractors to use the E-Verify system is expected to be finalized this year.</p>	<p>The top priority for Democrats will be passage of “Card Check.” The bill will easily pass the House, and increased majorities in the Senate will make passage a real possibility.</p> <p>Congress may address immigration reform with the Presidential Election in the rear view mirror. The Democrat gains in Congress are unlikely to make passage of a comprehensive package any easier. Congress must again extend the “E-Verify” program in March 2009, and it is possible that it will serve as the springboard for broader reform.</p> <p>Other concerns include a revival of ergonomics, increased OSHA enforcement and oversight that will lead to less cooperation with the industry, and a change in the definition of “supervisors” in an effort to strengthen unionization.</p> <p>Consideration of the equal pay, or “Lily Ledbetter” legislation, may also be on tap for the 111th Congress.</p> <p>Leadership and Committee of Jurisdiction: <u>House Education and Labor:</u></p> <ul style="list-style-type: none"> • Chairman George Miller (D-CA) • Ranking Member Buck McKeon (R-CA) <p><u>Senate HELP Committee:</u></p> <ul style="list-style-type: none"> • Chairman Ted Kennedy (D-MA) (See above) • Ranking Member Mike Enzi (R-WY) 	<p>President-Elect Obama will increase workers’ ability to unionize by passing “card check” legislation. He would fight to pass the legislation and is committed to its passage. He would repeal the executive order prohibiting project labor agreements for federally funded construction work. He has introduced federal legislation that follows an Illinois state law to limit an employer’s discretion to classify workers as independent contractors</p> <p>President-Elect Obama supports a system through which illegal immigrants can earn citizenship by paying a fine, learning English, and waiting their turn behind legal immigrants. He supports a mandatory employment verification system if part of comprehensive reform and more serious employer sanctions for those who hire illegal immigrants. In 2006, he voted for the Kennedy-McCain immigration reform bill.</p> <p>Also promised is issuance of a new ergonomics regulation.</p>



INFRASTRUCTURE		
110th CONGRESS	111th CONGRESS	OBAMA ADMINISTRATION
<p>Congress was able to make some progress on infrastructure. Seven years overdue, a WRDA bill passed only after a presidential veto override. Unable to pass FAA reauthorization or its annual funding bill, Congress resorted to passing an extension through March 2009. Facing an imminent shortfall of receipts, Congress did, however, act to shore up the Highway Trust Fund (HTF) and approved transfer of \$8 billion late in the session.</p> <p>Leadership and Committee of Jurisdiction: <u>House Transportation and Infrastructure:</u></p> <ul style="list-style-type: none"> • Chairman James Oberstar (D-MN) • Ranking Member John Mica (R-FL) <p><u>Senate Environment and Public Works:</u></p> <ul style="list-style-type: none"> • Chairwoman Barbara Boxer (D-CA) • Ranking Member James Inhofe (R-OK) 	<p>2009 will hopefully be the year Congress realizes the economic benefits of increased investment in infrastructure. Major bills that need to be considered are surface transportation reauthorization, FAA reauthorization, another WRDA, and investment in water infrastructure. Addressing the funding for these critical programs, which rely heavily on user fees and discretionary appropriations, will be a major challenge.</p> <p>The HTF may face a negative balance again prior to reauthorization of the surface transportation funding bill, which expires in September 2009.</p> <p>Increased Democrat majorities might be able to overrule Republican objections to increased spending.</p> <p>Democrats have historically made more funding available for infrastructure but with caveats such as Davis-Bacon provisions increasing the use of Project-Labor Agreements, and funding for union training programs only.</p>	<p>President-Elect Obama would make “strengthening” the U.S. transportation system, including roads and bridges, a “top priority.” He supports funding streams such as a National Infrastructure Bank that would fund large transportation, water, and housing projects.</p> <p>President-Elect Obama supports modernization of locks and dams, development of high-speed rail, and increased AMTRAK funding.</p> <p>In the Senate, he voted to increase highway funding and has opposed a moratorium on the gas tax.</p> <p>On behalf of the Democrat caucus he led efforts and voted to support increased funding for water resources development.</p> <p>It is expected that strong Democrat majorities in Congress will spur bipartisan action on several major infrastructure initiatives. The challenge for the new Administration and the Congress is resolving how to revamp current funding formulas to address increased needs.</p>

PROCUREMENT		
110 th CONGRESS	111 th CONGRESS	OBAMA ADMINISTRATION
<p>The 110th Congress approved some significant reforms, including bills that would force federal agencies to limit no-bid and cost-plus contracts, require agencies to beef up their acquisition workforce, and impose several new disclosure requirements on government contractors.</p> <p>The 110th Congress passed nearly 40 different small business measures including HUBZone reform and subcontractor reporting reform as part of SBA reauthorization. The Senate, however, was a major road block in moving this legislation forward, pushing SBA reauthorization to March 2009.</p>	<p>The 111th Congress will continue to use its oversight authority to review contracting reform and target industries that have been accused of abusing the federal procurement system.</p> <p>It is entirely possible some major ethics reform initiatives, such as blacklisting and expansion of the Federal False Claims Act, will receive serious consideration.</p> <p>Small Business reauthorization will start again in earnest early in the 111th Congress.</p> <p>Leadership and Committee of Jurisdiction: <u>House Oversight and Government Reform:</u></p> <ul style="list-style-type: none"> • Chairman Henry Waxman (D-CA) has indicated that he may challenge Energy and Commerce Committee Chairman Dingell for his leadership spot. • Ranking Member Tom Davis' (R-VA) retirement could result in the rise of Rep. Darrell Issa (R-CA). <p><u>Senate Homeland Security and Government Reform:</u></p> <ul style="list-style-type: none"> • Chairman Joe Lieberman (I-CT) may be stripped of his role for supporting the candidacy of Sen. McCain. • Ranking Member Susan Collins (R-ME) 	<p>President-Elect Obama will seek to end the use of “no-bid” contracts, requiring that all contract orders over \$25,000 be competitively awarded and reduce the use of “cost-plus” contracts. He has also said he will create a public “contracts and influence” database which will disclose how much federal contractors spend on lobbying. He would also prohibit contractors who are “seriously delinquent” in their federal taxes from receiving federal contracts.</p>