



The First 100 Days Initiative: Webinar #1: A Federal Election Update

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Agenda

- Introduction to Crowell & Moring
- The Presidential/Congressional Election
- Overview of Potential New Congress and Impact on Business
- A Look at Potential 2017 Congressional Issues
- Questions & Answers/Conclusion



Introduction to Crowell & Moring

- A Top 100 Law and Lobbying Firm
- Headquartered in Washington, D.C.
- Led by Chairwoman Angela Styles, Former Bush White House OMB & Hill Staffer
- A Schumer-McConnell Led GA Team
- Focused on Servicing Clients in the Health Care, Energy, and Financial Services Sectors



Jim Flood

- Chair, Government Affairs Group
- Former Counsel to Sen. Charles E. Schumer (D-NY)
- Former VP, Government Affairs, Omnicare, Inc.
- Former U.S. DOJ Federal Prosecutor
- Advocate Before Congress & Federal Agencies for Corporate and Trade Group Clients



Scott Douglas

- Senior Policy Director, Government Affairs Group
- Former Finance Director, Sen. Mitch McConnell (R-KY)
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- Kentucky Campaign Manager for Bush-Cheney 2000
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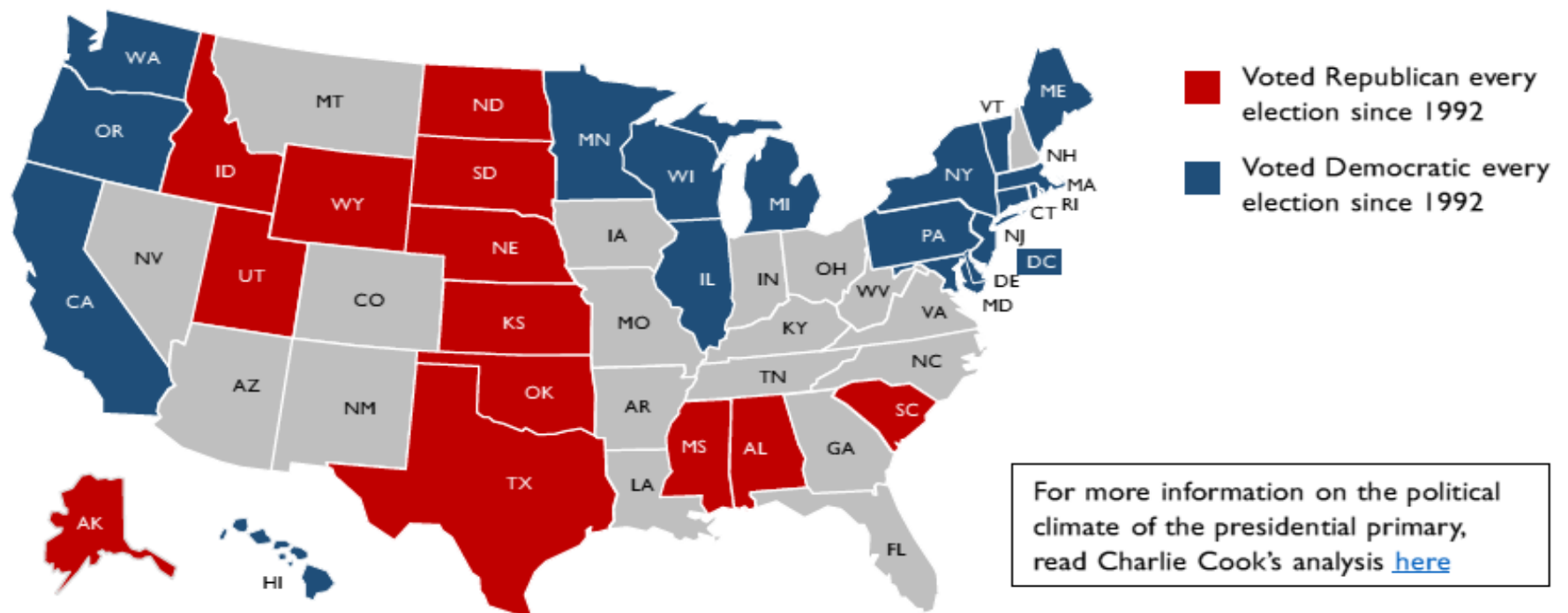


The Presidential Election

- Twelve Days to Go to Election Day
- HRC & Trump Bases Still Solid
- But Undecided Breaking HRC
- Focus Now on Swing States, Voter Turnout, and Possible Senate Election Victory for Ds
- Some R States Looking Blue But Will Hold R
- Lets Take A Look At the Map ...

Based on Last Six Presidential Elections, Democrats May Hold a Slight Advantage Heading into 2016 General Election

States That Voted Consistently In The Past Six Presidential Elections



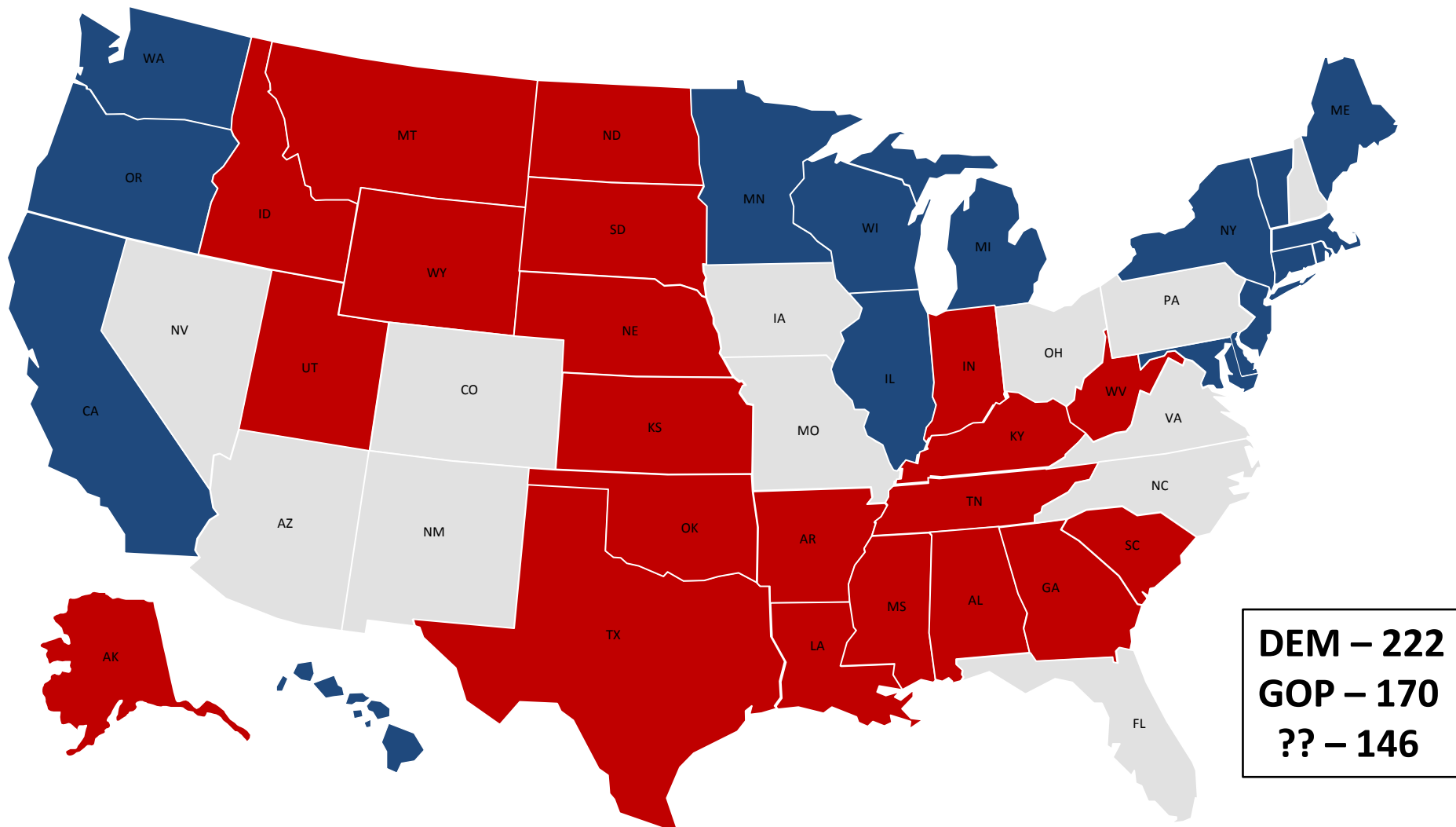
For more information on the political climate of the presidential primary, read Charlie Cook's analysis [here](#)

Analysis

- Democrats won 18 states plus the District of Columbia six times in a row, which in 2016 would earn 242 electoral votes, about 90 percent of the 270 electoral votes needed to win.
- In contrast, Republicans consistently carried 13 states over the last six elections, which in 2016 would earn the party 102 electoral votes, 38 percent of the 270 needed to win.
- The average state that voted Democratic in the past six elections delivers 13 electoral votes, while the average state that voted Republican in the past six elections delivers 8 electoral votes.

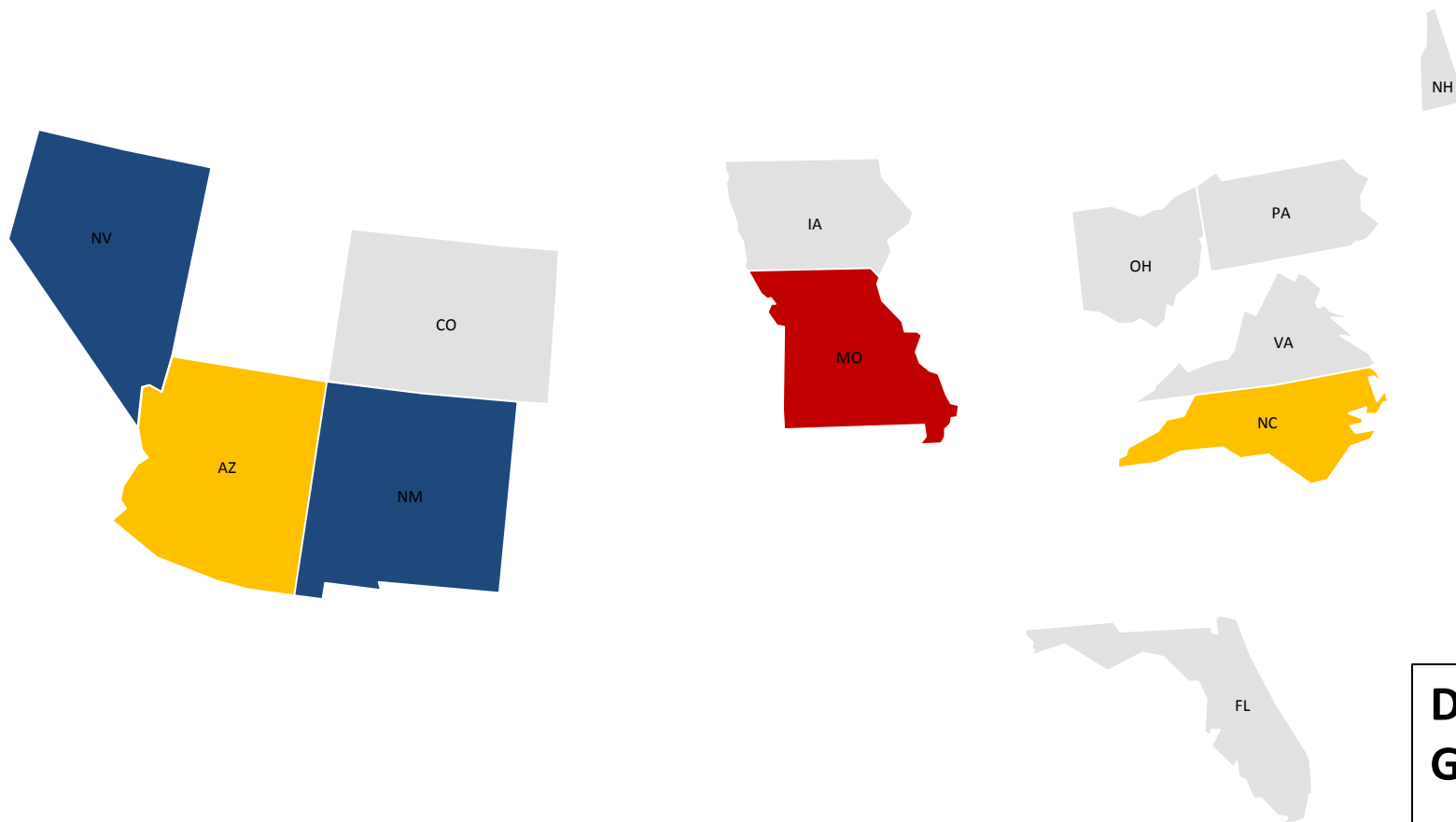


Dems Start With a 242-102 Advantage, but Several States are Reliably Red in 2016



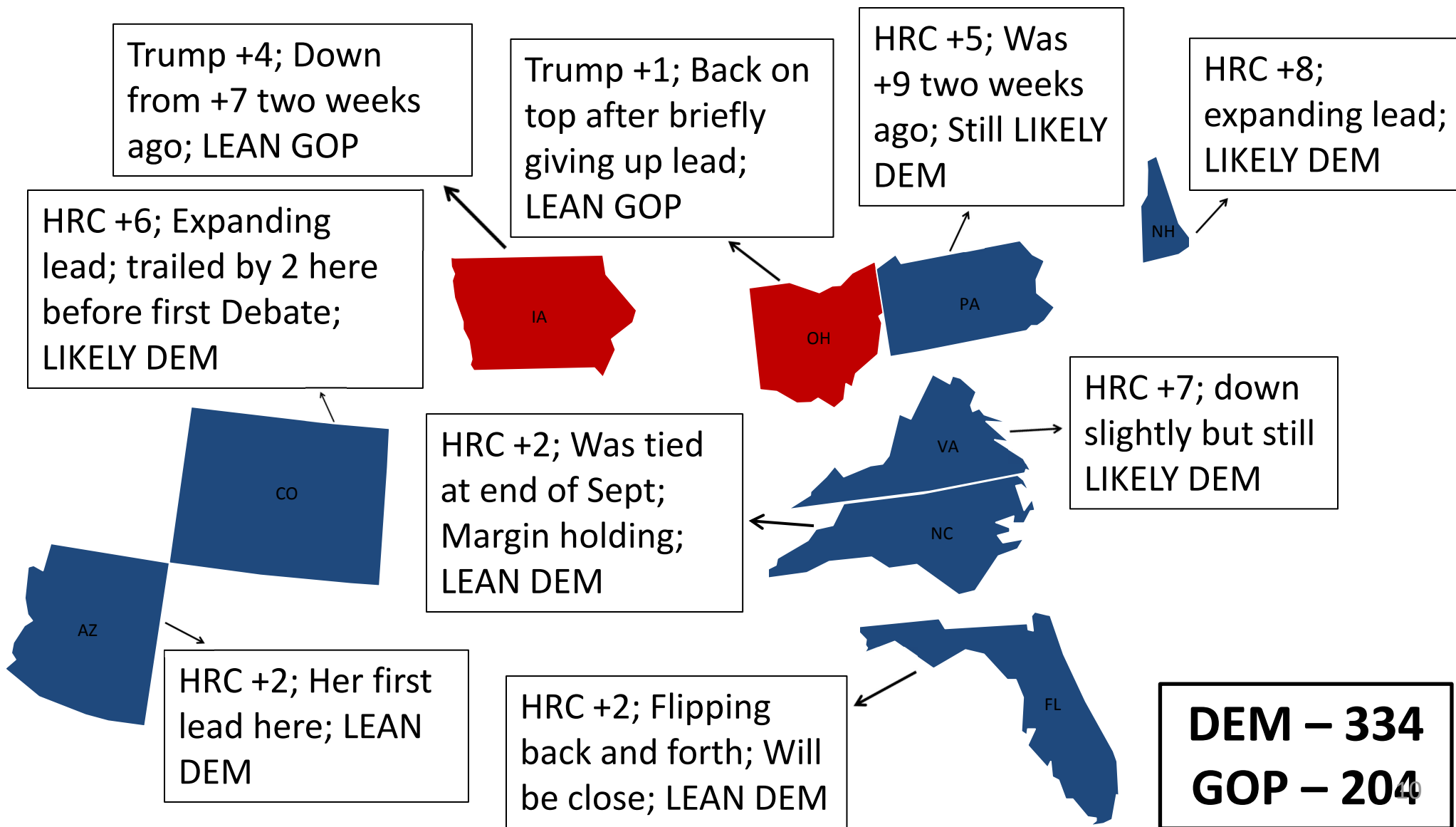
The First Tier of the 12 Swing States Are “Indicators”

Any Surprises in These May Point to a Larger Trend



| |
|------------------|
| DEM – 233 |
| GOP – 180 |
| ?? – 125 |

The Presidential Race Will Be Decided in These 9 Swing States





Presidential Election – Takeaways

- Historically, Presidential race tightens in closing two weeks, but HRC still favored to win.
- HRC can win just by defending blue territory (home field advantage).
- Trump must regain leads in AZ, NC, and FL, and find 11 more EVs to reach 270.
- A look at the next closest blue states:
 - PA (20); VA (13); CO (9); NV (6) NH (4)
- Trump must win OH, NC, FL, AZ, NH, NV, & ME-2; Clinton wins by just taking one and holding on in PA.
- On election night, watch early returns in FL (7:00pm EST) and NC & OH (7:30pm EST)



Further Focus on Key States: HRC

- HRC Wins If Holds VA (+8), PA (+5), WI (+6), MI (+10) & CO (+6.8) AND can lose OH (-1), FL (+3) and NC (+2) (272-264)
- HRC Wins If Wins FL (+3) and Loses PA (+5), OH (-1) & NC (+2) (281-255)
- HRC Wins If Wins PA, VA, and NC
- These are the Three Key Swing States for HRC



Presidential Election Bottom Line

- HRC Has Momentum and the Votes
- HRC Has Key Voting Blocks
- DT Has Very Narrow Path to Victory
- DT Has Alienated Key Voting Blocks
- HRC Wakes Up on 11/9 the President-Elect
- DT Wakes Up on 11/9 Talking to Lawyers



Senate Elections Update

- Republican Senate Through 2016
- Senate — 54 current Republican Senators
- Senate — 46 current Democratic Senators
- Senate — 100 Senators — 60 votes important
- Need Republicans & Democrats to get to 60 votes to stop filibuster and to pass most bills

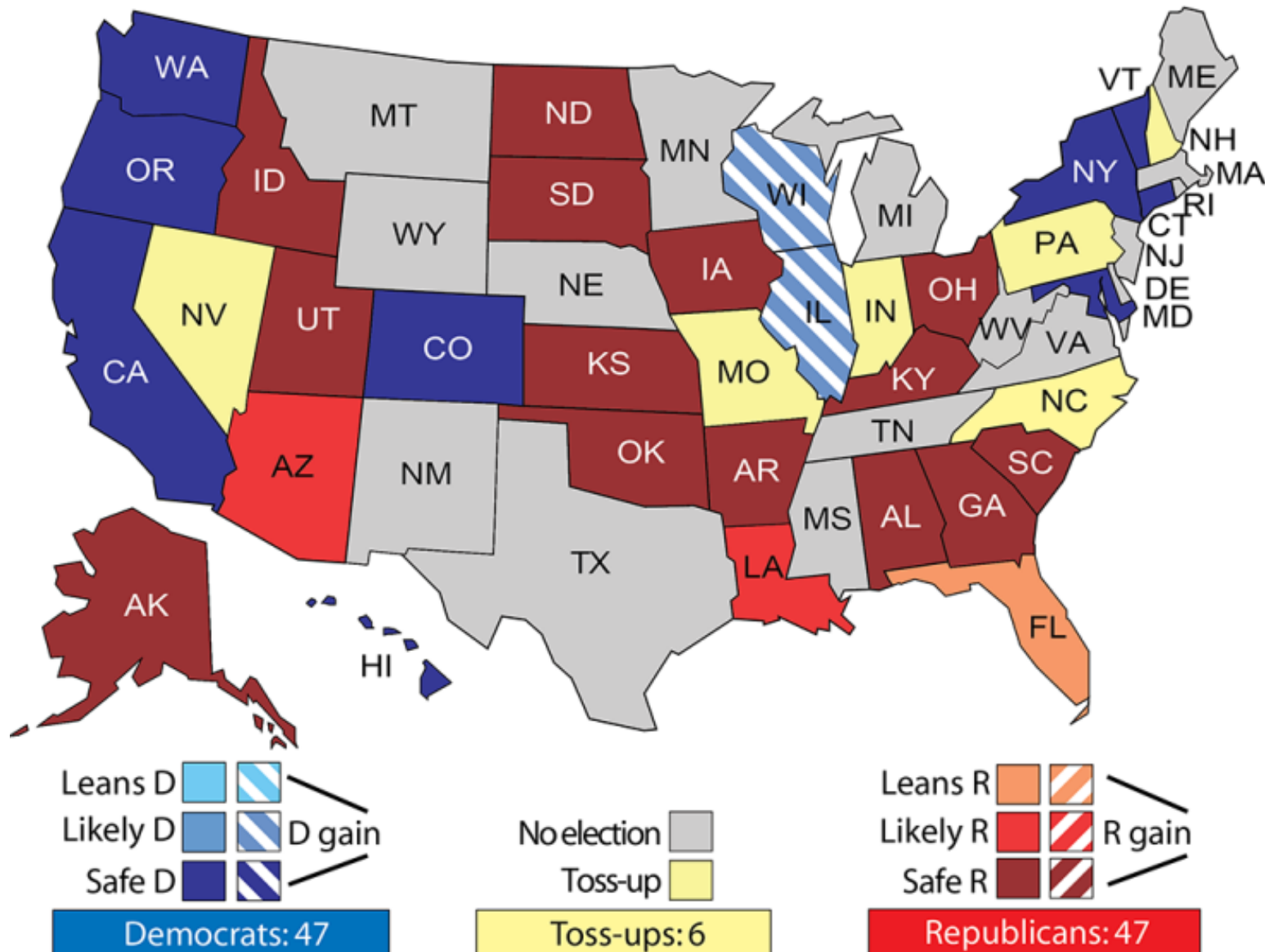


Senate Elections Update

- 2016 Senate Election — Republicans overexposed
- The majority could change, but will be only slight margin
- Election: Republicans are defending 24/34 seats
- Dems — Need 4 or 5 seats to gain majority
- Current Larry Sabato (UVA) Senate prediction (10/20/16)
 - 47 R/47 D
 - 6 toss-up seats: NV, IN, PA, NH, NC, MO

Senate Elections Update

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Senate Elections Update

Closer Look at the 6 Toss-Up Seats

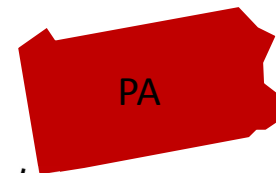
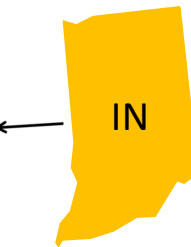
GOP: 50

TOSS-UP: 3

Dem: 47

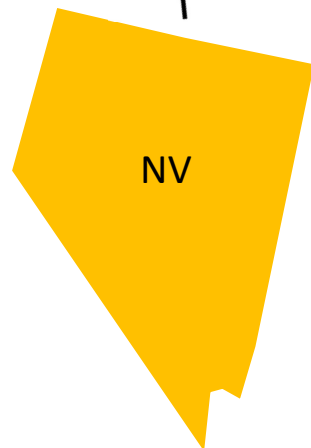
Heck (R) & Cortez Masto (D) tied; Heck led throughout summer; TOSS-UP

Bayh (D) lead down to +3; GOP momentum; TOSS-UP



Race tied in mid-40s; TOSS-UP

Toomey (R) +2 in mid-40s; LEAN GOP



Blunt (R) +4; number briefly dipped but now recovered; LEAN GOP



Burr (R) +2 in mid-40s; has almost recovered from bad Sept; LEAN GOP



Senate Elections Update – Takeaways

- **GOP Had a Good September** – Took commanding leads in OH and FL, though perhaps at expense of MO & NC.
- **Outcome Still Very Fluid** — All six toss-up races still inside MoE.
- **All Politics Is Local** — Dems want to nationalize the election and tie GOP candidates to Trump but GOP trying to keep their distance.
- **GOP candidates succeeding** in outperforming Trump in their states, though lopsided Clinton lead in NH is troubling for Senate race.
- **HRC Winning May Hurt Dems** — Her unfavorables may prompt split-ticket votes to “check” her power ('96 strategy).
- **Bold Prediction** — Whoever has the majority in 2017 will have fewer members than GOP currently has (54).
- **Looking Ahead** – Democrats overexposed in next election cycle (25 of 33 seats up for reelection in 2018).



Senate Elections Update – Takeaways

- It is a 47-47 Tie with Race Decided by Six States
- The Key Six States Are PA, NH, WI, MO, NV, and FL
- PA – HRC Helps Dems (McGinty) Win
- NH – Hasan Helps HRC Win
- WI – HRC & Feingold Help Each Other Win
- MO – Kander Helps Himself Win
- NV – Latino Vote Helps HRC & Cortez-Masto Win
- FL – Rubio Holds On and Republicans Win



Senate Elections Update – Takeaways

- The Result – With Democrats Winning NH, NV, NC, IN, PA
- 52-48 Democratic Controlled Senate
- Say Hello to Senate Majority Leader Schumer
- Say Hello to Senate Minority Leader McConnell
- The Senate Leadership Looks for Compromise
- President Clinton Looks to the Senate to Work with the White House on a Legislative Agenda and Then Goes to Speaker Ryan of the House of Representatives



House Elections Update

- House — 246 Republicans (1 vacancy)
- House — 186 Democrats (2 vacancies)
- House — need 218 for majority
- Election — all 435 seats up for election
- Election — Dems need 30-seat gain for majority



House Elections Update

- Current prediction — Republicans hold House, though with a smaller majority (circa net-20).
- House will likely stay Republican through 2022.
- Republicans actually control more state legislatures now than when the current Congressional map was drawn in 2012.
- If that advantage holds until 2022, the next round of Congressional redistricting will be just as favorable to Republicans, if not more.



Overview of The Potential New Congress

- The Majority Party in Senate will have no more than 52 or 53 Seats and not be filibuster proof
- Senate Leadership will be looking for old and new members willing to work across the aisle like the old “Gang of Eight”
- Possible Candidates for bi-partisanship include Senators Bennett (D-CO), Warner (D-VA), Flake (R-AZ), McCain (R-AZ), and Possibly New Members



The New Congress & Business

- The House Will Stay Republican and Therefore Remain a More Pro-Business Body Than the Senate
- The Senate Will Have Normal Partisan Fights, But Leadership Will Look for Compromise on Pro-growth Policies
- The Senate Leadership – Senators Schumer & McConnell – Will Protect Their Flank – Protect Senators Up in 2018 - While Looking for Ways to Move the Country Forward



The New Congress & Business

The Threats to the Business Community From the New Congress Will Include:

1. Tax Reform Which Closes Some Loopholes
2. Increased Business Taxes Mixed in With Lower Repatriation Tax for Corporations to Pay for Infrastructure Programs
3. ACA Fix Would Mean Higher Costs to Taxpayers, Including Business
4. Potential Government Stalemate



2017 Potential Congressional Issues

1. Tax Reform
2. Infrastructure Repair and Growth
3. Foreign Policy Reset and Military Spending
4. Energy Policy
5. Select Health Care Issues – Drug Pricing
6. Immigration Reform
7. Possible Supreme Court Opening
8. A Lot of Noise from the Left and Right



Conclusions

- HRC Will Win the White House
- Republicans Will Win the House
- Senate Still Too Close to Call
- The White House Will Focus on Working with the Senate on Policy in 2017
- The House Will Have to Make a Choice Between Governance and the 2020 Presidential Election
- Everyone Will Want to Grow the Economy

Questions and Answers



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