

Post-Election Update 2012

Service

Public Policy,
Regulatory, &
Government Affairs

Welcome to the Husch Blackwell LLP Post-Election Update 2012. The election on November 6 was both exciting and historic. The Public Policy, Regulatory & Government Affairs practice group of our firm wants to take this opportunity to explore what to expect in the next few weeks in the lame duck session of Congress and in the 113th Congress, which starts in January 2013.

25 Issues Facing President Obama and Congress

The president and Congress will need to address these issues in the lame duck session of Congress and/or in the 113th Congress. Many of these matters may be of interest to your clients. Our Public Policy, Regulatory & Government Affairs team is positioned to assist on all these matters.

Expiring tax cuts: The 2001 and 2003 Bush-era tax cuts are set to expire at the end of the year. Although the Republicans have urged that all cuts be extended, President Barack Obama has stated he would not renew tax cuts for those making more than \$250,000 a year.

Sequester: As a result of the August 2011 debt-ceiling deal, spending cuts totaling \$109 billion will go into effect in January. Congress is predicted to tackle the budget deficit with targeted cuts to mandatory spending and potential tax increases.

Hurricane Sandy supplemental spending bill: Congress will need to address a bipartisan push to increase the federal disaster relief fund's \$7.1 billion budget.

Alternative Minimum Tax patch: Without Congressional action, many middle-class Americans will fall under the Alternative Minimum Tax (AMT). Congress will most likely "patch" the AMT to prevent it from affecting middle-income earners.

Capital gains tax rate: The capital gains tax rate is set to increase from 15 percent to 20 percent after December 31 of this year.

Medicare “doc fix”: Without Congressional action, Medicare payments to doctors are set to be cut by 27 percent in January 2013.

Omnibus appropriations bill: The current resolution is set to expire in March 2013.

Postal reform: The U.S. Postal Service (USPS) failed to pay \$11 billion in retiree healthcare payments this fall. The Senate and the House are expected to disagree on the best way to assist the USPS.

Payroll tax cut extension: The House is expected to debate whether to continue the two-percentage point reduction in the payroll tax or implement the 2009 stimulus’ Making Work Pay Tax Credit.

Unemployment insurance extension: Without Congressional action, extended federal benefits for the long-term unemployed will expire at the end of the year. A contentious debate on this matter is expected.

Tax extenders: The Senate Finance Committee has approved a \$205 billion bill that seeks to fix the AMT and includes measures such as research and development tax credits as well as production tax credits for wind projects.

Infrastructure bank: The 2011 Jobs Act included a bipartisan proposal that would use \$10 billion in government funds to create an infrastructure bank. The plan seeks to identify private financing to supplement government loan guarantees for worthy projects.

Defense authorization: The Senate Armed Services Committee passed a \$631.4 billion bill with \$4 billion less in funding than the House-sponsored bill. The Senate passed its version of a bill on December 4, 2012. The House and Senate must now resolve their differences in these two bills.

Farm bill: Although the Senate has passed legislation, it has not passed the House and may be expected to be incorporated into a “fiscal cliff” bill.

Airline emissions: In response to the European Union’s climate-change plan that requires airlines flying in the continent to buy carbon credits, the Senate passed a bill to protect U.S. airlines from paying greenhouse-gas penalties. The House also approved a similar bill and may vote on the Senate bill this session.

Online poker: There are currently bills in the House and the Senate to legalize online lottery sales and online poker.

Foreign Intelligence Surveillance Act: The Foreign Intelligence Surveillance Act, which authorizes spying on foreign communication without a judicial warrant, is set to expire in January 2013.

Violence Against Women Act: The House and the Senate have passed violence against women legislation to extend funding to investigate and prosecute domestic violence.

Permanent Normal Trade Relations (PNTR) for Russia: As a result of longstanding trade regulations that date back to the Soviet era, U.S. exporters are not benefiting from lower tariffs that Russia has granted other World Trade Organization countries. The House recently passed Russia PNTR legislation, and the Senate is expected to pass legislation on this subject soon.

Benefits for same-sex partners of federal workers: Bills in both the House and the Senate would offer health and retirement benefits to same-sex domestic partners of federal workers.

Online sales tax: There are currently measures in the House and Senate that would require consumers to pay state and local sales taxes on all online purchases.

Cybersecurity: The House and Senate are considering potential next steps on cybersecurity.

China currency: House GOP leaders may respond to a bill passed by the Senate last year (63-35) to increase tariffs on Chinese imports.

Mortgage forgiveness debt relief: As the Mortgage Forgiveness Debt Relief Act inches towards expiration, industry professional and housing advocates will push for an extension of the act.

Consumer Financial Protection Bureau fix: Although repealing Dodd-Frank is out of the question, both parties – as well as the financial industry – will push to amend certain sections of the Wall Street reform law.

Source: Erik Wasson, “25 Problems Facing Obama, Congress,” *The Hill*, Nov. 7, 2012 [<http://thehill.com/blogs/on-the-money/budget/266667-25-problems-now-facing-obama-congress>].

Congressional Leadership of the 113th Congress

Senate

Majority (Democratic) Leadership

Majority Leader and Caucus Chair: Harry Reid (NV)

Assistant Majority Leader (Majority Whip): Dick Durbin (IL)

Caucus Vice Chair and Policy Committee Chair: Chuck Schumer (NY)

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Caucus Secretary: Patty Murray (WA)
Senatorial Campaign Committee Chair: Michael Bennet (CO)
Policy Committee Vice Chair: Debbie Stabenow (MI)
Steering and Outreach Committee Chair: Mark Begich (AK)
Chief Deputy Whip: Barbara Boxer (CA)

Minority (Republican) Leadership

Minority Leader: Mitch McConnell (KY)
Assistant Minority Leader (Minority Whip): John Cornyn (TX)
Conference Chairman: John Thune (SD)
Policy Committee Chairman: John Barrasso (WY)
Conference Vice Chair: Roy Blunt (MO)
Senatorial Campaign Committee Chair: Jerry Moran (KS)

U.S. House of Representatives

Speaker: John Boehner (R-OH)

Majority (Republican) Leadership

Majority Leader: Eric Cantor (VA)
Majority Whip: Kevin McCarthy (CA)
Majority Chief Deputy Whip: Peter Roskam (IL)
Conference Chair: Cathy McMorris Rodgers (WA)
Campaign Committee Chairman: Greg Walden (OR)
Policy Committee Chairman: James Lankford (OK)
Conference Vice Chair: Lynn Jenkins (KS)
Conference Secretary: Virginia Foxx (NC)
Sophomore Representative: Tim Scott (SC)
Freshman Representative: Ann Wagner (MO)

Minority (Democratic) Leadership

Minority Leader: Nancy Pelosi (CA)
Minority Whip: Steny Hoyer (MD)
Assistant Democratic Leader: Jim Clyburn (SC)
Senior Chief Deputy Minority Whip: John Lewis (GA)
Caucus Chair: Xavier Becerra (CA)
Caucus Vice Chair: Joe Crowley (NY)

Campaign Committee Chair: Steve Israel (NY)

Steering/Policy Committee Co-chairs: Rosa DeLauro (CT) and Rob Andrews (NJ)

Committee Chairs in the House and Senate of the 113th Congress

Senate



Agriculture, Nutrition and Forestry: Debbie Stabenow (D-MI)

Appropriations: Daniel Inouye (D-HI)

Armed Services: Carl Levin (D-MI)

Banking, Housing and Urban Affairs: Tim Johnson (D-SD)

Budget: Patty Murray (D-WA)

Commerce, Science and Transportation: Jay Rockefeller (D-WV)

Energy and Natural Resources: Ron Wyden (D-OR)

Environment and Public Works: Barbara Boxer (D-CA)

Finance: Max Baucus (D-MT)

Foreign Relations: John Kerry (D-MA)

Health, Education, Labor and Pensions: Tom Harkin (D-IA)

Homeland Security and Governmental Affairs: Tom Carper (D-DE)

Indian Affairs: Maria Cantwell (D-WA) or Jon Tester (D-MT)

Judiciary: Patrick Leahy (D-VT)

Rules and Administration: Charles Schumer (D-NY)

Select Ethics: Barbara Boxer (D-CA)

Select Intelligence: Diane Feinstein (D-CA)

Special Committee on Aging: Bill Nelson (D-FL)

Small Business and Entrepreneurship: Mary Landrieu-(D-LA)

Veterans' Affairs: Bernie Sanders (D-VT) or Sherrod Brown (D-OH)

U.S. House of Representatives

Administration: Candice Miller (R-MI)

Agriculture: Frank Lucas (R-OK)

Appropriations: Harold Rogers (R-KY)

Armed Services: Howard "Buck" McKeon (R-CA)

Budget: Paul Ryan (R-WI)

Education and the Workforce: John Kline (R-MN)

Energy and Commerce: Fred Upton (R-MI)

Ethics: TBD

Financial Services: Jeb Hensarling (R-TX)

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Foreign Affairs: Ed Royce (R-CA)
Homeland Security: Mike McCaul (R-TX)
Intelligence: Mike Rogers (R-MI)
Judiciary: Bob Goodlatte (R- VA)
Natural Resources: Doc Hastings (R-WA)
Oversight and Government Reform: Darrell Issa (R-CA)
Rules: Pete Sessions (R-TX)
Science, Space and Technology: Lamar Smith (R-TX)
Small Business: Sam Graves (R-MO)
Transportation and Infrastructure: Bill Shuster (R-PA)
Veterans' Affairs: Jeff Miller (R-FL)
Ways and Means: Dave Camp (R-MI)

Members of the Freshman Class of the 113th Congress

U.S. Senate

| | |
|---------------|-----------------------|
| Arizona | Jeff Flake (R) |
| Connecticut | Chris Murphy (D) |
| Hawaii | Mazie Hirono (D) |
| Indiana | Joe Donnelly (D)* |
| Maine | Angus King (I)* |
| Massachusetts | Elizabeth Warren (D)* |
| Nebraska | Deb Fischer (R)* |
| New Mexico | Martin Heinrich (D) |
| North Dakota | Heidi Heitkamp (D) |
| Texas | Ted Cruz (R) |
| Virginia | Tim Kaine (D) |
| Wisconsin | Tammy Baldwin (D) |

** indicates political party change*

U.S. House of Representatives

| | |
|-------------|--|
| Arizona | 1 – Ann Kirk (D)* 5 – Matt Salmon (R) 9 – Kyrsten Sinema (D) |
| Arkansas | 1 – Tom Cotton (R)* |
| California | 1 – Doug LaMalfa (R) 2 – Jared Huffman (D) 7 – Ami Bera (D)* 8 – Paul Cook (R) 15 – Eric Swalwell (D) 21 – David Valadao (R) 26 – Julia Brownley (D)* 29 – Tony Cardenas (D)* 35 – Gloria Negrete McLeod (D) 36 – Raul Ruiz (D)* 41 – Mark Takano (D) 47 – Alan Lowenthal (D) 51 – Juan Vargas (D) 52 – Scott Peters (D)* |
| Connecticut | 5 – Elizabeth Esty (D) |
| Florida | 3 – Ted Yoho (R) 6 – Ron DeSantis (R) 9 – Alan Grayson (D) 18 – Patrick Murphy (D)* 19 – Trey Radel (R) 22 – Lois Frankel (D) 26 – Joe Garcia (D)* |
| Georgia | 9 – Doug Collins (R) |
| Hawaii | 2 – Tulsi Gabbard (D) |

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| | |
|----------------|--|
| Illinois | 8 – Tammy Duckworth (D)* 10 – Brad Schneider (D)* 11– Bill Foster (D)* 12 – William Enyart (D) 13 – Rodney Davis (R) 17 – Cheri Bustos (D)* |
| Indiana | 2 – Jackie Walorski (R)* 5 – Susan Brooks (R) 6 – Luke Messer (R) |
| Kentucky | 6 – Andy Barr (R)* |
| Maryland | 6 – John Delaney (D)* |
| Massachusetts | 4 – Joseph Kennedy III (D) |
| Michigan | 5 – Dan Kildee (D) 11 – Kerry Bentivolio (R) |
| Minnesota | 8 – Rick Nolan (D)* |
| Missouri | 2 – Ann Wagner (R) |
| Montana | AL – Steve Daines (R) |
| Nevada | 1 – Dina Titus (D) 4 – Steven Horsford (D) |
| New Hampshire | 1 – Carol Shea-Porter (D)* 2 – Ann McLane Kuster (D)* |
| New Mexico | 1 – Michelle Lujan Grisham (D) |
| New York | 6 – Grace Meng (D) 8 – Hakeem Jeffries (D) 18 – Sean Patrick Maloney (D)* 24 – Dan Maffei (D)* 27 – Chris Collins (R)* |
| North Carolina | 8 – Richard Hudson (R)* 9 – Robert Pittenger (R) 11– Mark Meadows (R)* |

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| | |
|----------------|--|
| | 13 – George Holding (R)* |
| North Dakota | AL – Kevin Cramer (R) |
| Ohio | 2 – Brad Wenstrup (R) 3 – Joyce Beatty (D) 14 – David Joyce (R) |
| Oklahoma | 1 – Jim Bridenstine (R) 2 – Markwayne Mullin (R)* |
| Pennsylvania | 4 – Scott Perry (R) 12 – Keith Rothfus (R)* 17 – Matt Cartwright (D) |
| South Carolina | 7 – Tom Rice (R) |
| Texas | 14 – Randy Weber (R) 16 – Beto O’Rourke (D) 20 – Joaquin Castro (D) 23 – Pete Gallego (D)* 25 – Roger Williams (R) 33 – Marc Veasey (R) 34 – Filemon Vela Jr. (R) 36 – Steve Stockman (R) |
| Utah | 2 – Chris Stewart (R) |
| Washington | 6 – Derek Kilmer (D) 10 – Dennis Heck (D) |
| Wisconsin | 2 – Mark Pocan (D) |

* indicates political party change

Husch Blackwell's Political Action Committee

An important part of our Public Policy, Regulatory & Government Affairs practice group is the  Husch Blackwell Political Action Committee (PAC). Our PAC is a necessary and powerful tool in today's competitive legal environment and most top AmLaw firms utilize a PAC. The Husch Blackwell PAC is a federal, non-connected, multiple-candidate committee. Our PAC is governed by a 15-member

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bipartisan board that fairly represents our different regional locations. It provides visibility to both our attorneys and our clients.

Contact Information

For questions about this update or other governmental affairs matters, please contact your Husch Blackwell attorney or one of our attorneys in Washington, D.C..