

Election Recap and Preview of the 117th Congress



What happened in the elections, how
it impacts leadership, and what that
means for policymaking.

November 23, 2020

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Overview

- Part One: Election Recap
- Part Two: The Political Dynamics
- Part Three: Lame Duck
- Part Four: Policy Implications



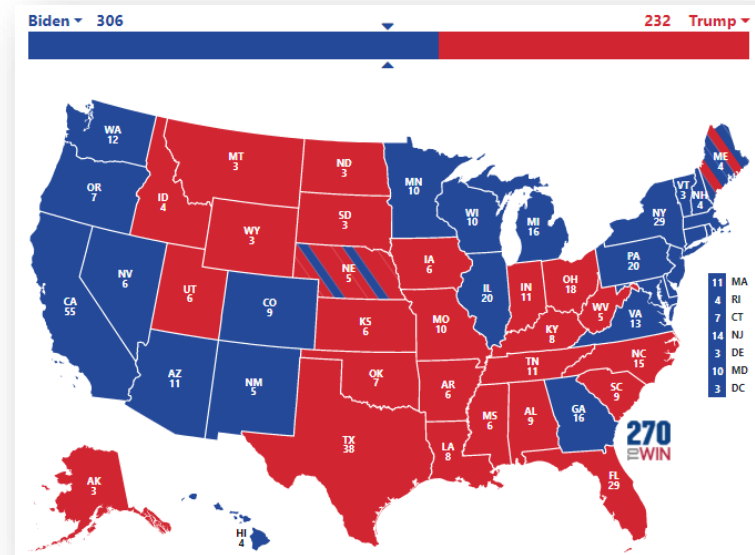
Part One: Election Recap



Vice President Biden is projected to
defeat President Trump.

Presidential Outcome

- Vice President Joe Biden is currently projected to defeat President Donald Trump, marking the first time since 1992 where an incumbent President has lost re-election.
 - The Democratic nominee scored important victories in Arizona, Michigan, Pennsylvania, Nevada, Wisconsin, and Georgia.
 - President Donald Trump clinched victories in Florida, Texas, and Ohio, but was unable to defend key states he carried in 2016.



This projected electoral college map is based on current results, and is subject to future change pending official certification.

Recount Rules

President Trump's campaign team is already positioning themselves to request recounts in key swing states given the close margins.

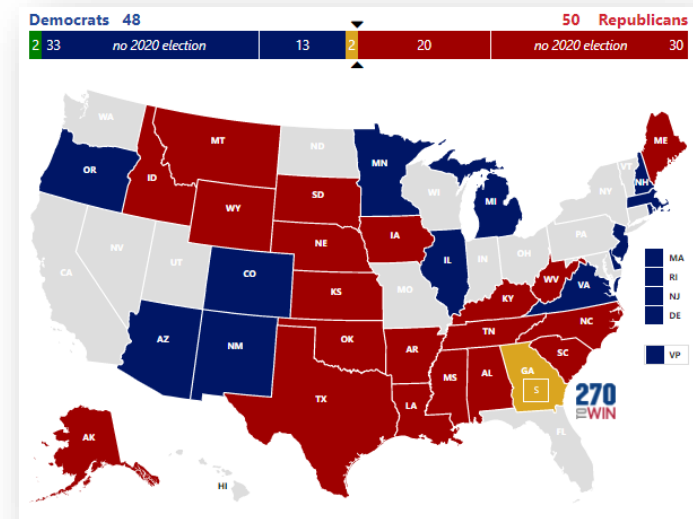
State	Conditions	Deadline
Nevada	Nevada will not launch a recount automatically, but the state allows defeated candidates in any election to request a recount.	The deadline to request a recount is no later than three business days after the canvass of the vote.
North Carolina	In races governed by a county board of elections, candidates may request a recount if the margin is within 1 percent of the total votes cast.	The request must be made by the first business day after the canvass.
Arizona	A recount in Arizona is automatically triggered if the margin is within .1 percent of the total number of votes. A recount also is triggered, according to state statutes, if the margin is 200 votes or fewer and the total is more than 25,000 or if the margin is 50 votes or fewer and the total doesn't exceed 25,000.	There is no set deadline for the completion of an automatic recount. Recounts may not be requested.

Recount Rules Cont.

State	Conditions	Deadline
Georgia	No automatic recounts and no partial recounts; A recount can be requested if the margin is less than or equal to 0.5 percent; Secretary of State or other election officials may order a recount if there is an apparent discrepancy or error, this can be petitioned by candidates and political parties.	Recounts conducted because of an error or discrepancy are completed before the canvass is finished; Recount based on margins under 0.5 percent must be requested within two business days after county certification; There are no set deadlines for completion of other recounts..
Michigan	Automatic recount if margins are 2,000 votes or less in a statewide primary or election; Candidates, electors, or party officials may apply for a recount of one or multiple precincts if they suspect fraud or an error and have a reasonable shot at winning.	Must be completed within 30 days after the last day for filing counter petitions or the first day that recounts may begin; Requested recounts must occur within 48 hours after the canvass.
Pennsylvania	Automatic recount if margin is 0.5 percent or less of the votes cast; Election officials and voters may request a recount if discrepancies found; Candidates cannot request a recount but may appeal county board decisions to the court.	Automatic recounts must be completed by noon on the first Tuesday following the third Wednesday after the election; count certification is delayed if a recount/recanvass is requested. Other recounts must be requested within five days of the election or five days after the computational canvass if requested through the court; no margin or deadline for completion is required.
Wisconsin	No automatic recounts; one can be requested if the margin is 1 percent or fewer.	Recounts must be requested before 5:00 PM on the first business day following the canvass and must be completed within 13 days after the order directing the recount.

Senate Outcome

- Control of the Senate will not be formally decided until January, as both Georgia Senate races are headed to runoff elections.
 - Sen. Kelly Loeffler (R-GA) and Democratic challenger Raphael Warnock have already advanced to a runoff in the Georgia special election.
 - Sen. David Perdue (R-GA) and his Democratic counterpart Jon Ossoff will also move to a runoff in January, as neither candidate met the 50 percent threshold.
- Democrats will need to win both Georgia Senate races on January 5 to forge a 50-50 tie in the upper chamber, with Vice President-elect Kamala Harris serving as the tiebreaking vote. Otherwise, Senate Republicans will retain their majority for the next Congress.
 - Incumbent **Sens. Joni Ernst (R-IA), Susan Collins (R-ME), Steve Daines (R-MT), Lindsey Graham (R-SC), Thom Tillis (R-NC), and Dan Sullivan (R-AK)** have won re-election.
 - Democrats **John Hickenlooper (D-CO)** and **Mark Kelly (D-AZ)** successfully flipped seats in Colorado and Arizona, respectively.



Meet the New Senators

State	Winner	Notes
Alabama	Tommy Tuberville (R)	The former college football head coach was heavily favored over the incumbent Sen. Doug Jones (D-AL) in this reliably red state.
Wyoming	Cynthia Lummis (R)	Lummis returns to Congress following her retirement as the at-large Representative for the Cowboy State in 2016.
Tennessee	Bill Hagerty (R)	The former businessman and U.S. Ambassador to Japan replaces retiring Sen. Lamar Alexander (R-TN).
New Mexico	Ben Ray Luján (D)	The Assistant House Democratic Leader will succeed retiring Sen. Tom Udall (D-NM).
Kansas	Roger Marshall (R)	The Representative for Kansas' 1st Congressional District replaces longtime Sen. Pat Roberts (R-KS).
Arizona	Mark Kelly (D)	The NASA astronaut and husband of former Rep. Gabby Giffords (D-AZ) knocked off incumbent Sen. Martha McSally (R-AZ).
Colorado	John Hickenlooper (D)	The former Colorado Governor was a heavy favorite over incumbent Sen. Cory Gardner (R-CO).



House Democrats Keep Majority

- Democrats are projected to maintain control of the U.S. House of Representatives, but had their majority eroded as several Democratic incumbents lost.
 - **GOP Wins.** Republicans knocked off several incumbent Democratic members, including Reps. Debbie Murcarsel-Powell (D-FL), Donna Shalala (D-FL), Xochitl Torres Small (D-NM), Collin Peterson (D-MN), Kendra Horn (D-OK), Joe Cunningham (D-SC), Harley Rouda (D-CA), Gil Cisneros (D-CA), Max Rose (D-NY), Ben McAdams (D-UT), and Abby Finkenauer (D-IA).
 - **Dem Wins.** Democrats Kathy Manning (D-NC) and Deborah Ross (D-NC) picked up GOP-held seats in North Carolina, where redistricting boosted their chances of netting additional seats.



Part Two: Political Dynamics of 117th Congress



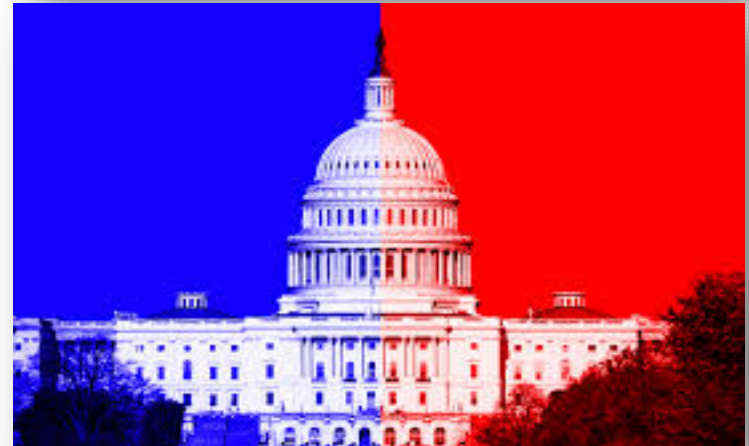
Our initial look at the leadership landscape for the 117th Congress.

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New Administration, Same Congress

- In all likelihood, President-elect Biden is set to inherit a status quo Congress and will need to navigate a delicate policy tightrope with Speaker Pelosi and Leader McConnell.
 - COVID-19 relief aid stands out as an immediate opportunity where bipartisan cooperation will be key.
- President-elect Biden has been bullish on the prospects of being able to clinch bipartisan deals with a GOP-controlled Congress throughout his campaign.
 - Conversely, current Democratic Senators have expressed skepticism about the Majority's willingness to cross party lines in today's era of polarized politics.
- Democrats are expected to push for action on their key policy priorities, much like they did in the 116th Congress.
 - However, these Democratic bills will likely languish in the GOP-controlled Senate absent bipartisan cooperation.



House Leadership Elections

Republicans

- House Republicans will hold their leadership elections on November 17.
- Conference rules for the 117th Congress and Steering Committee structure ratification will be taken up for a vote on November 18.

Democrats

- House Democrats will hold their caucus leadership elections November 18 and 19.
- Elections for contested committee chairmanship elections will occur the week of November 30.

- Committee “ratios” and broader committee assignments for both parties will not be announced until the start of the new Congress in January.
- As a frame of reference, the House officially published its committee ratios and standing rules on February 15, 2019, but Committees did announce new member assignments in early January 2019 prior to the official notice.



Senate Leadership Elections

- Senate leadership elections for both parties have yet to be announced.
- With the outcome of the GA Senate races unlikely to be settled before January 5, it's probable that the Senate will not pass an organizing resolution until after these races are decided.
 - For context, this occurred in 2008 when the Minnesota Senate race was not decided until February 2009, thus delaying formal Senate Committee organization.



Congressional Leadership

- **House Democrats.** Speaker Nancy Pelosi (D-CA), Majority Leader Steny Hoyer (D-MD), and Majority Whip Jim Clyburn (D-SC) will remain in their respective posts for the 117th Congress.
 - Rep. Katherine Clark (D-MA) will succeed outgoing Rep. Ben Ray Lujan (D-NM) as Assistant Speaker.
 - Rep. Pete Aguilar (D-CA) will succeed Rep. Clark as Democratic Caucus Vice Chair.
- **House Republicans.** Republican Leader Kevin McCarthy (R-CA) and Whip Steve Scalise (R-LA) will remain in their posts.
 - Rep. Mike Johnson (R-LA) is expected to vacate his position as Chair of the Republican Study Committee to run for Republican Conference Vice Chair to replace outgoing Rep. Mark Walker (R-NC).
 - Rep. Jim Banks (R-IN) will run for Chair of the Republican Study Committee to replace Rep. Johnson.
- **Senate Republicans.** Leadership in the GOP Senate is expected to remain unchanged, with Mitch McConnell (R-KY) retaining his post as Republican Leader, and John Thune (R-SD) remaining Republican Whip.
- **Senate Democrats.** Democratic Leader Chuck Schumer (D-NY) has retained his role as Democratic Leader for the next Congress, while Sen. Dick Durbin (D-IL) stays on as Democratic Whip.



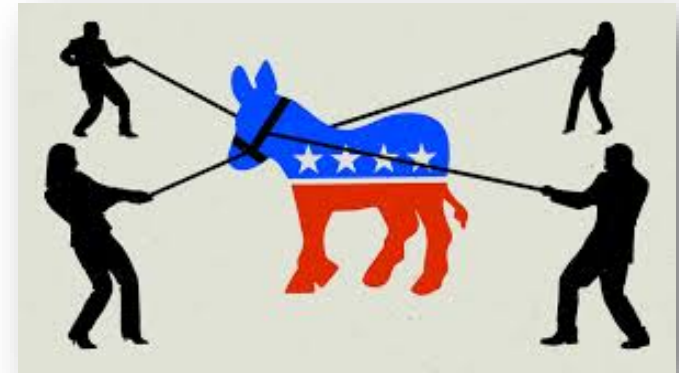
Likely House Committee Leaders		
Committee	Dems	GOP
Agriculture	David Scott (GA) or Jim Costa (CA) or Marcia Fudge (OH)	Glenn Thompson (PA) or Rick Crawford (AR) or Austin Scott (GA)
Appropriations	Rosa DeLauro (CT) or Debbie Wasserman Schultz (FL) or Marcy Kaptur (OH)	Kay Granger (TX)
Armed Services	Adam Smith (WA)	Joe Wilson (SC) or Mike Turner (OH) or Mike Rogers (AL)
Budget	John Yarmuth (KY)	Bill Johnson (OH)
Education/Workforce	Bobby Scott (VA)	Virginia Foxx (NC)
Energy and Commerce	Frank Pallone (NJ)	Michael Burgess (TX) or Cathy McMorris Rodgers (WA) or Bob Latta (OH)
Financial Services	Maxine Waters (CA)	Patrick McHenry (NC)
Foreign Affairs	Brad Sherman (CA) or Gregory Meeks (NY) or Joaquin Castro (TX)	Michael McCaul (TX)
Homeland Security	Bennie Thompson (MS)	Mike Rogers (AL) or John Katko (NY) or Clay Higgins (LA)
Intelligence	Adam Schiff (CA)	Mike Turner (OH) or Brad Wenstrup (OH)
Judiciary	Jerrold Nadler (NY)	Jim Jordan (OH)
Natural Resources	Raúl Grijalva (AZ)	Doug Lamborn (CO) or Tom McClintock (CA) or Rob Wittman (VA)
Oversight	Carolyn Maloney (NY)	James Comer (KY)
Rules	James McGovern (MA)	Tom Cole (OK)
Science and Technology	E.B. Johnson (TX)	Frank Lucas (OK)
Small Business	Nydia Velázquez (NY)	Amata Radewagen (AS) or Troy Balderson (OH) or Kevin Hern (OK)
Transportation	Peter DeFazio (OR)	Sam Graves (MO)
Veterans' Affairs	Mark Takano (CA)	Gus Bilirakis (FL) or Mike Bost (IL) or Jack Bergman (MI)
Ways and Means	Richard Neal (MA)	Kevin Brady (TX)

Likely Senate Committee Leaders

Committee	GOP	Dems
Aging	Tim Scott (SC)	Bob Casey (PA)
Agriculture	John Boozman (AR)	Debbie Stabenow (MI)
Appropriations	Richard Shelby (AL)	Pat Leahy (VT)
Armed Services	James Inhofe (OK)	Jack Reed (RI)
Banking, HUD	Pat Toomey (PA)	Sherrod Brown (OH)
Budget	Lindsey Graham (SC)	Bernie Sanders (VT)
Commerce	Roger Wicker (MS)	Maria Cantwell (WA)
Energy	John Barrasso (WY)	Joe Manchin (WV)
EPW	Shelley Moore Capito (WV)	Tom Carper (DE)
Finance	Mike Crapo (ID)	Ron Wyden (OR)
Foreign Relations	Jim Risch (ID)	Bob Menendez (NJ)
HELP	Richard Burr (NC) or Rand Paul (KY)	Patty Murray (WA)
Homeland Security	Rob Portman (OH)	Gary Peters (MI)
Indian Affairs	Lisa Murkowski (AK)	Brian Schatz (HI)
Intelligence	Marco Rubio (FL)	Mark Warner (VA)
Judiciary	Chuck Grassley (IA)	Dick Durbin (IL) or Sheldon Whitehouse (RI)
Rules	Ted Cruz (TX)	Amy Klobuchar (MN)
Small Business	Rand Paul (KY) or Tim Scott (SC)	Ben Cardin (MD)
Veterans' Affairs	Jerry Moran (KS)	Jon Tester (MT)

Progressives vs. Moderates

- **The State of Play:** House Speaker Nancy Pelosi (D-CA) and Senate Democratic Leader Chuck Schumer (D-NY) will be tasked with bridging policy divides between progressive and moderate lawmakers in the next Congress.
 - This involves coalescing the priorities of more liberal Members in the Progressive Caucus with the moderates in the New Democrat and Blue Dog Coalitions.
- **What This Means:** Key policy battles over health care, tax reform, climate change, defense spending, the criminal justice system, and more could get slowed down if they are not navigated carefully.



Part Three: The Lame Duck



What should you expect during the lame duck.

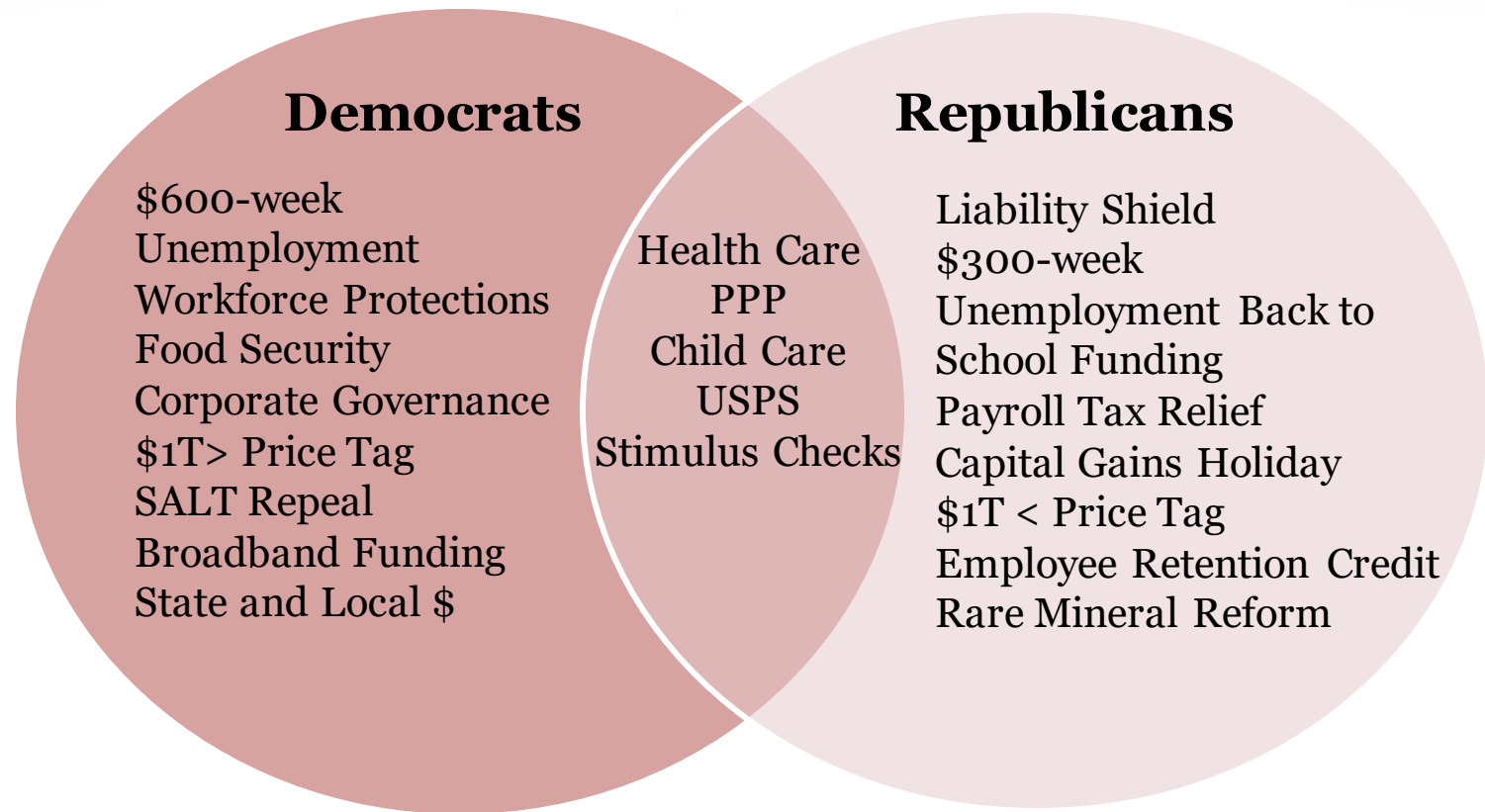
COVID-19 Legislation

- Majority Leader Mitch McConnell (R-KY) stated that Congress should pass another round of relief during the “lame duck” session of Congress.
- Speaker Nancy Pelosi (D-CA) has remained steadfast on the need for another robust multi-trillion dollar stimulus package.
- House and Senate Republicans have prioritized action on smaller, more targeted relief bills that total less than \$1 trillion, but they have been largely rejected by Democrats.
- Given President Trump’s expected loss, it remains to be seen whether the administration will be willing to negotiate and sign a COVID-19 relief deal prior to the end of the 116th Congress.

What’s Next? Despite reporting progress following a series of pre-election negotiations, the White House and Congressional Democrats remain far apart on the size and scope of the next pandemic relief package. The two sides will need to reconcile their differences on issues such as **state and local aid, liability protections, unemployment insurance, and testing** if there is to be a deal in the lame duck session. Otherwise, action on another round of relief may not come until February after the 117th Congress is sworn in.



COVID-19 Aid: Areas of Agreement



Appropriations Outlook

- **Congress' lame duck agenda** will likely prioritize passage of “minibus” spending packages to fund the government through fiscal year (FY) 2021.
- In order to avoid a government shutdown, **Congress must pass government funding legislation by Friday, December 11.**
- **The House** already passed most of its appropriations bills at the beginning of the summer
- **The Senate** is much further behind, with bills yet to be released by the Appropriations Committee.

Context. A spending agreement could end up being a legislative vehicle for lawmakers looking to clinch last-minute policy wins as the 116th Congress winds down. Notably, COVID-19 relief aid stands out as a top policy priority that could “hitch a ride” on this forthcoming legislation.

Cap Constraints. Appropriators are working within a narrow window for discretionary nondefense programs for FY 2021, which are in line for just 0.4 percent (\$2.5 billion) more overall than the previous year. Earlier this year, appropriators on the Labor, Health and Human Services, Education, and Related Agencies Subcommittee in the House coalesced around the idea of establishing an emergency Health Defense Operations budget designation to cover public health priorities.

This designation would exempt certain public health preparedness and response items from Budget Control Act caps and provide lawmakers with greater flexibility to stay within the budget caps. However, Ranking Member Tom Cole (R-OK) acknowledged in July that at the time there was not buy-in from leadership in either chamber or from the White House.



Key 2020 Policy Deadlines

Policy	Description	Deadline
Health Extenders	Click here for a complete list of the health extender policies that will need to be addressed.	December 11, 2020 -September 2021
Government Funding Deadline	Government funding legislation must be passed in order to avoid a shutdown.	December 11, 2020
CARES Act Pandemic Unemployment Assistance	The weekly boost in unemployment insurance benefits established via the CARES Act remains in limbo amid partisan disagreements over the policy.	July 31, 2020
Paycheck Protection Program	The Trump administration’s signature small business rescue program is set to expire at the end of the year with billions of dollars still in its coffers.	December 31, 2020
State and Local Coronavirus Relief Fund	If a government entity does not spend its entire CRF allocation by the end of the year, the remaining balance will be recouped by the U.S. Treasury.	December 31, 2020
CARES Act Interest Deductibility & NOL	The CARES Act provided a temporary increase to the business interest deduction limit from 30 percent to 50 percent of taxable income. It also temporarily suspended the taxable income limitation on Net Operating Losses (NOLs), allowing businesses to carry these losses back five years.	December 31, 2020
TCJA Medical Expense Tax Deduction	The provision allows taxpayers to deduct the total qualified unreimbursed medical care expenses for the year that exceeds 7.5 percent of their adjusted gross income. Beginning in 2020, the threshold amount increases to 10 percent of AGI.	December 31, 2020
TCJA Alcohol Tax Rates	Provisions that temporarily lowered excise tax rates on taxation of beer, wine, and distilled spirits were included in the 2017 tax law and renewed during the FY 2020 government funding deal.	December 31, 2020
TCJA Paid Family Leave Credit	TCJA provided eligible employers the opportunity to take a business tax credit when they provide paid qualifying family and medical leave to its employees.	December 31, 2020

The Lame Duck Presidency

- Lame-duck presidents have some administrative tools at their disposal to cement preferred policies.
 - As such, look for the administration to make a strong push to finalize certain Trump-era regulatory initiatives.
- Lame duck sessions can be productive depending on the character of the outgoing and incoming Congresses.
- However, it remains to be seen what approach President Trump will take as he winds down his presidency.



Part Four: Policy Implications



Where does President-elect Biden
stand on key issues?

‘First 100 Days’

- The “First Hundred Days” is a term first used by FDR in 1933 to describe his initial policy priorities, but within those first days, the President must also take certain steps to launch the new administration.
- During this time, we can expect President-elect Biden to:
 - Nominate a Cabinet and senior non-cabinet officials to the Senate
 - Submit a Budget to Congress
 - Suspend pending regulations
 - Reverse executive orders from the previous administration.
 - Begin the process of filling positions for over 4,000 political appointees

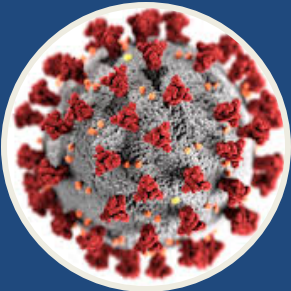


Post-Transition Administrative Tools

- Upon taking office, presidents may rescind or freeze regulations promulgated by their predecessors.
- A temporary moratorium on implementation is a common tool. One was issued by both Presidents [Obama](#) and [Trump](#) upon their inauguration.
- New executive orders can be issued to implement a new agenda, and the previous president's executive orders can be rescinded.



Biden's Major Policy Priorities



Develop and implement comprehensive national strategy to address the **coronavirus pandemic**.



Invest in the country's growing **infrastructure** needs, including broadband, water, schools, natural infrastructure, and more.



Provide middle class families with a **tax cut** while simultaneously raising taxes on those making more than \$400,000 per year.



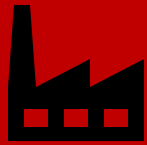
Reform **health care** by expanding upon the ACA, establishing a public option, and taking steps to lower health costs across the board.



Tackle **climate change** through investment in clean energy and promotion of environmental, social, and corporate governance (ESG) reform.



Biden's Build Back Better Plan



Manufacturing and Innovation

- Invest in small business-led supply chains
- Build strong industrial base
- Tax incentives
- Create well-paying union jobs



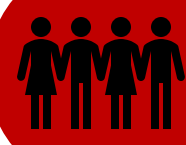
Infrastructure and Clean Energy

- Invest in modern, sustainable infrastructure
- Invest in “sustainable engines of growth,” like new energy grids and universal broadband
- Create well-paying union jobs



Caregiving & Education Workforce

- Invest in affordable childcare
- Invest in home- and community-based care
- Increase pay for educators and caregivers
- Create union jobs in caregiving and education



Racial Equity

- Close the racial wealth gap
- Expand affordable housing
- Invest in minority entrepreneurs and communities
- Advance criminal justice reform

COVID-19

- President-elect Biden has emphasized that tackling the coronavirus pandemic will be his top priority heading into his first 100 days.
- Additional stimulus relief in the new Congress is likely, regardless of whether lawmakers in the 116th Congress can pass additional aid in the lame duck.
- President-elect Biden dealmaking abilities will be put to the test immediately, as he will be tasked with reconciling negotiations that have been stalled for months.
 - State and local aid, unemployment insurance, testing, and liability protections are just some of the main issues that lawmakers have been stuck on since passage of the CARES Act in March.

Biden's Key COVID-19 Relief Proposals

- ✓ \$700 billion economic recovery plan.
- ✓ Nationwide mask mandate.
- ✓ Utilize Defense Production Act authority to boost PPE stockpile.
- ✓ Additional support for small businesses.
- ✓ Increase national testing capacity to 7.5 million per week
- ✓ \$30 billion for schools.
- ✓ National contact tracing system.
- ✓ \$25 billion for treatments and vaccines.
- ✓ Address state and local government budget shortfalls.
- ✓ Establish new U.S. Public Health Jobs Corps.



Health Care

- A Biden administration is likely to focus on protecting, as well as expanding, the ACA through increased premium subsidies and possibly a public option.
 - **The Supreme Court is set to hear the *Texas v. U.S.* case on the constitutionality of the ACA on November 10.** Vice President Biden and Congress could move to intervene prior to a court ruling in **late spring 2021** to save the ACA.
 - President-elect Biden is looking to create a “**Medicare-like**” **public option** to compete alongside private insurance, increase premium subsidies, and subsidized health care for eligible families.
 - His plan would be available premium-free to individuals who would be eligible for **Medicaid** had their states expanded Medicaid, and states who did expand Medicaid would have the option to move their expansion populations over to the public option.
 - President-elect Biden estimates his plan would **cost \$750 billion over ten years**.
- While both Democrats and Republicans appear to favor permanently removing some **telehealth restrictions**, the GOP is more enthusiastic and currently willing to go further.
- The federal budget deficit could compel Congress and the Administration to pursue another round on **drug pricing legislation**.
 - Several bipartisan bills are likely to advance while the outcome of more controversial policies will hinge on the outcome of the election.
 - President-elect Biden supports legislation allowing **Medicare price negotiation** for government programs and private payers, inflation caps on drug prices in federal programs, and limited initial price tags for specialty drugs.
 - President-elect Biden supports **limiting annual out-of-pocket drug costs** for Medicare beneficiaries and allowing drug importation.
- As in other areas, the path to enacting health care-related legislation is limited in a divided Congress.



Tax

- Throughout the course of his campaign, President-elect Biden has pledged to cover the cost of some of his big-ticket agenda items by tolling back the Tax Cuts and Jobs Act while also promising that no one making less than \$400,000 will see a tax increase.
- Democrats were united against TCJA in 2017, but a rollback of the GOP's signature tax plan is unlikely, regardless of who controls the Senate.
- An early focus on tax in 2021 would likely be on stimulating the economy, possibly by way of investments in manufacturing and supply chains, infrastructure and clean energy.
- **Context.** Enacting tax reform legislation in a divided Congress is a tall task for any president — especially given some of the partisan differences between the two parties on the GOP's 2017 reform effort. Instead, look for the Democrats and Republicans to try and coalesce behind some areas of bipartisan agreement such as: medical expenses, research and development, low-middle income relief, and COVID-19 economic assistance.

Key Biden Tax Proposals

- ✓ Tax credits for new investments in domestic manufacturing.
- ✓ Raising the corporate tax rate from to 28 percent.
- ✓ Provide tax relief to lower- and middle-income families, including a temporary expansion of the child tax credit.
- ✓ Increasing tax incentives for employers to offer retirement plans.
- ✓ Providing refundable low-income renter's and first-time home buyer's credits.
- ✓ Taxing capital gains and dividends at ordinary rates for those with annual incomes of more than \$1 million.
- ✓ Doubling the tax rate on profits earned by foreign subsidiaries of U.S. firms to 21 percent.
- ✓ Imposing a 15 percent minimum tax on book income of large companies.



Banking & Fintech

Many of the progressive banking initiatives that Democrats hoped to achieve are likely to meet strong opposition in the Senate. To the extent regulatory agencies can act unilaterally on an issue, expect action, but a divided Congress will likely limit the scope of what President-elect Biden can achieve on comprehensive banking reform.

- Under a Biden administration and a divided Congress, there's likely to be continued, but narrower in scope, efforts to engage on many issues of consumer lending and access to credit, which will primarily be driven by the regulators and administration.
- President-elect Biden's proposals to advance Postal Banking, "Fed" Digital Wallets, and public credit reporting agencies face an uphill battle.
- Continued focus on the SAFE Banking Act and removing regulatory restrictions on cannabis banking is likely to be a target from House Democrats but will remain challenging to move through the Senate.



ESG

- Corporate governance is one area where the convergence of progressive goals, market realities and President-elect Biden's more moderate background could result in substantive changes. However, this will likely be driven by regulators (i.e., SEC and DOL) with cover from Congress.
- These changes will primarily occur through disclosure reforms, though a Biden SEC could take a more aggressive approach on corporate structure issues as well.
- We expect his administration to lean into areas in **environmental, social, and governance (ESG)**. Specifically with initiatives falling into: **(1) reporting, disclosure, and review; (2) diversity in hiring; and (3) sustainability and the environment.**
- We may see the expansion or adoption of further organizations like the Office of Minority and Women Inclusion, as well as robust committee activity on issues pertaining to diversity and inclusion.



Foreign Policy & Trade

- Under President-elect Biden, we can expect a shift from the Trump administrations' tendency to alienate the U.S. to a renewed focus on strengthening relations with allies and rejoining key agreements.
 - President-elect Biden has pledged to immediately rejoin the Paris Climate Accord, the World Health Organization and other U.N. bodies.
 - He also plans to return to the Iran nuclear deal (if Tehran also returns to compliance) and supports an end to the Yemen war.
- **China.** President-elect Biden has committed to consulting with American allies before, and in order to, make any trade decisions on China. However, he has yet to say whether he will maintain the current tariffs on some \$360 million of Chinese goods.
 - It also remains to be seen how a Biden administration will build upon the "phase one" agreement clinched by the Trump administration earlier this year.
 - President-elect Biden has advocated for strong international enforcement efforts to crack down on the theft of American intellectual property, specifically calling out illicit behavior from the Chinese government and other state-led entities.
- We can expect efforts to follow through on President-elect Biden's "Made in America" centered plan, which calls for a \$400 billion procurement investment.



Infrastructure

- President-elect Biden has championed a 10-year, \$1.3 trillion plan over the course of his campaign.
 - The President-elect stated that he would roll back key parts of the 2017 tax law to clinch a comprehensive infrastructure package, but a divided Congress would guarantee that this does not happen.
- Congress and the White House could look to include infrastructure investments in the next round of COVID-19 relief aid — an idea that was embraced by Democrats in Congress as well as President Trump.
- Infrastructure is seen as an area that is ripe for bipartisan cooperation given the significant growing and need for investment.
 - However, the President-elect and lawmakers will need to navigate potential “poison pill” issues such as the gas tax and climate change in order to clinch a comprehensive infrastructure package.

Key Biden Infrastructure Policies

- ✓ New investments in rail, highways, roads, schools, and bridges.
- ✓ Renewed focus on workforce development.
- ✓ Speed the transition to low- and zero-carbon vehicles.
- ✓ Promote clean water by way of waterway improvement and pipe replacement.
- ✓ Bolster the nation’s broadband infrastructure to reach underserved communities.
- ✓ Invest in climate resiliency, adaptation, and clean energy infrastructure.



Energy & The Environment

- Energy and environmental policies have remained a key point of contention throughout the Presidential campaign, and will likely continue into the new Congress given the two parties' competing priorities.
 - Republicans were critical of Democratic messaging points on the energy sector during the campaign, criticizing the party's position on fracking, natural gas, and "The Green New Deal."
- President-elect Biden has prioritized achieving net-zero emissions by 2050, as well as achieve a carbon pollution-free power sector by 2035.
- In lieu of bipartisan agreements with the GOP Senate, its likely President-elect Biden will use executive action to rollback the Trump administration's deregulatory efforts.

Key Biden Energy & Environment Policies

- ✓ Rejoin Paris Climate Accords.
- ✓ Push to restore certain environmental policies that were rolled back under the Trump administration.
- ✓ Ban new offshore oil and gas drilling ventures.
- ✓ Use federal procurement system to promote clean energy and zero-emission vehicles.
- ✓ Bolster natural infrastructure to protect biodiversity.



Child Care & Education

➤ **Child Care.** President-elect Biden has prioritized making high-quality child care affordable, particularly for low-income and working-class families.

- The Biden campaign cites Sen. Patty Murray (D-WA) and Rep. Bobby Scott's [Child Care for Working Families Act](#) as a model the President-elect will pursue to promote access to affordable, high-quality child care.

➤ **Pre-K-12.** President-elect Biden has proposed tripling the federal Title I program for low-income public schools, with a requirement that schools provide competitive pay and benefits to teachers.

- The President-elect supports banning federal money for for-profit charter schools and to provide new dollars to public charters only if they show they can serve needy students.
- He opposes voucher programs, where public money is used to pay for private school education.

➤ **Higher Ed.** We can expect the Biden administration to make strides towards making college and universities more affordable to lower income individuals.

- During the campaign, President-elect Biden supported making public colleges and universities tuition-free for students with family incomes under \$125,000.
- In response to the COVID-19 pandemic, President-elect Biden has touted assisting graduates by cancelling \$10,000 of federal student loan debt for every American.

Key Biden Child Care & Education Policies

- ✓ Federal investment in school infrastructure.
- ✓ Invest in pell grants for dual enrollment programs.
- ✓ Bolster the child care workforce.
- ✓ Support improved child care facility infrastructure.
- ✓ Expand the child care tax credit.
- ✓ Promote additional career and vocational resources for students.
- ✓ Loan forgiveness for people making less than \$25,00 per year.



Technology & Telecommunications

- A change in administration isn't likely to quiet the demand for reform of Section 230.
 - The President-elect has previously indicated that he believes that disinformation from Facebook, especially, has been injurious. With both sides of the aisle expressing displeasure with Section 230 and online platforms, there may be room for agreement.
 - Republicans – especially those in the Senate with presidential aspirations -- will continue to champion reforms to the law as well.
- A Biden Administration may push for greater competition in the tech space and is likely to be pressured to do so from Hill Democrats eager to shape the Administration's agenda at the Federal Trade Commission and the Department of Justice.
- **Net Neutrality.** Hill Democrats may push the FCC to do more around Net Neutrality/Title II provisions, since these will likely meet resistance from Senate Republicans.

Key Biden Technology Policies

- ✓ Continue pressure on Section 230.
- ✓ More aggressive antitrust efforts.
- ✓ Increase H-1B visa capacity.
- ✓ Push for online privacy legislation.
- ✓ Bolster broadband infrastructure and domestic 5G buildout.
- ✓ Push to increase tech sector regulation and taxation.
- ✓ Anti-bias enforcement rules for digital economy and internet platforms.



Key Takeaways

- While control of the Senate is still up in the air, bipartisan cooperation will be key in clinching policy wins regardless of whether there is a divided government.
 - Neither party will enter the 117th Congress with a governing mandate given the close nature of this election.
 - Democrats may be more likely to deal with Republicans on items like COVID-19 relief and infrastructure if they are unable to gain full control of Congress.
- President Trump's strong performance relative to the polls will help cement his ideological foothold among down-ballot Republicans, even despite his projected loss.
 - Leader McConnell will need to balance the strength of Trump's imprint on the Republican electorate while devising a strategy to defend 22 Senate seats currently controlled by Republicans ahead of the 2022 midterms.

