

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

EXPECTED COMMITTEE CHAIRMAN & RANKING MEMBERS

As you know, the mid-term election yielded significant Republican gains in both the House and Senate, which will change the Senate leadership and committees for the 114th Congress. In addition, several Chairman and Ranking Members will be retiring at the end of the year, or face Committee leadership term limits, further changing the composition of key committees. Although the Steering Committees for both parties will work to finalize Committee assignments by the time the new Congress convenes in January 2015, we have provided below a preliminary outlook of the expected Congressional leadership as well as the Chairs and Ranking Members for Committees of particular importance.

Congressional Leadership

- Expected Senate Majority Leader - Mitch McConnell (R-KY)
- Expected Senate Minority Leader - Harry Reid (D-NV)
- Expected Speaker of the House - John Boehner (R-OH)
- Expected House Majority Leader - Kevin McCarthy (R-CA)
- Expected House Majority Whip - Steve Scalise (R-LA)
- Expected House Minority Leader - Nancy Pelosi (D-CA)

*Expected Senate Leadership of Committees of Importance***Appropriations**

- Chairman: Senator Thad Cochran (R-MS) is expected to Chair the Committee; however, having previously led the committee from 2005 to 2007, he will be limited to four years as Chair.
- Ranking Member: Current Chair Barbara Mikulski (D-MD) is expected to serve as Ranking Member, unless Patrick Leahy (D-VT), who has more seniority, decides to leave his Leadership role on the Judiciary Committee in favor of Appropriations.

Budget

- Chairman: Current Ranking Member Jeff Sessions (R-AL) is expected to become Chair.
- Ranking Member: While Current Chair Patty Murray (D-WA) could serve as Ranking Member, she may opt to assume this role on the Health, Education, Labor, and Pensions (HELP) Committee, where she is a frontrunner. If that were to happen, Senator Ron Wyden (D-OR) is the next most senior, although he would almost

certainly choose to retain his leadership role on the Finance Committee. Next in line would be Senator Bill Nelson (D-FL), but similarly to Wyden, could choose to be ranking member of the Commerce Committee. The next most senior Democrat is Debbie Stabenow (D-MI), who herself could pass on this position in order to remain the top Democrat on Agriculture. Following Senator Stabenow, Senator Bernie Sanders (I-VT) is the fifth most senior Democrat.

Commerce

- Chairman: Current Ranking Member John Thune (R-SD) would likely become chair of the Commerce Committee.
- Ranking Member: With the retirement of current Chair Jay Rockefeller (D-WV), and Senator Barbara Boxer (D-CA), next most senior, expected to serve as Ranking Member of the Environment and Public Works (EPW) Committee, Senator Bill Nelson (D-FL) could become Ranking Member, potentially setting up a choice for Senator Nelson between a leadership role on the Commerce or Budget Committees. If Senator Nelson chooses the Budget Committee, Senator Maria Cantwell (D-WA) would be the next most senior Democrat.

Environment and Public Works

- Chairman: Senator James Inhofe (R-OK), having been replaced on the Armed Services Committee by Senator John McCain (R-AZ), is expected to Chair the EPW Committee; however, he would be limited to two years, having previously chaired the from 2003 to 2007. Senator Inhofe has been among the most vocal Members, both of his party and the full Senate, in support of earmarks.
- Ranking Member: Current Chair Barbara Boxer (D-CA) is expected to serve as Ranking Member.

Finance

- Chairman: Current Ranking Member Orrin Hatch (R-UT) is expected to be the Chair.
- Ranking Member: Current Chair Ron Wyden (D-OR) is expected to be the Ranking Member.

Health, Education, Labor, and Pensions (HELP)

- Chairman: Current Ranking Member Lamar Alexander (R-TN) is expected to serve as Chair.
- Ranking Member: Among the candidates to replace Tom Harkin (D-IA), who is retiring, as the HELP Committee's top democrat are Senator Barbara Mikulski (D-MD), Senator Patty Murray (D-WA), Senator Bernie Sanders (I-VT). As previously

noted, however, each of these members will have other Committee leadership positions to consider. The conventional wisdom has Senator Murray assuming this role.

Homeland Security and Governmental Affairs

- Chairman: Senator Ron Johnson (R-WI) will likely succeed Tom Coburn (R-OK), who is retiring, as the Committee's top Republican.
- Ranking Member: Current Chair Tom Carper (D-DE) will likely serve as Ranking Member.

Veterans' Affairs:

- Chairman: Should current Ranking Member Richard Burr (R-NC) decide to chair the Intelligence Committee, as many expect, Senator Johnny Isakson (R-GA) would Chair the committee.
- Ranking Member: While Current Chair Bernie Sanders (I-VT) could serve as Ranking Member, his departure to serve as Ranking Member of another Committee would mean that Senator Sherrod Brown (D-OH) would be next in line in terms of seniority, followed by Senator Patty Murray (D-WA).

Expected House Leadership of Committees of Importance

Appropriations

- Chairman: Chair Harold Rogers (R-KY) is expected to continue in this role.
- Ranking Member: Nita Lowey (D-NY) is expected to continue in this role.

Budget

- Chairman: Current Vice Chairman Tom Price (R-GA) is likely to become Chair of the full Committee, as current Chairman Paul Ryan (R-WI) is expected to chair the Ways and Means Committee.
- Ranking Member: Chris Van Hollen (D-MD) is expected to retain this role.

Education and the Workforce

- Chairman: Current Chair John Kline (R-MN) is expected to seek a waiver to serve a fourth term as the Committee's Chairman; if denied, Congresswoman Virginia Foxx (R-NC) would likely become Chair.
- Ranking Member: Congressman Bobby Scott (D-VA) has announced that he will seek to become the Committee's Ranking Member, as current Chairman George Miller (D-CA) is retiring.

Energy and Commerce

- Chairman: Current Chair Fred Upton (R-MI) is expected to continue in this role.
- Ranking Member: Congresswoman Anna Eshoo (D-CA) is expected to fill this position, as current Ranking Member Henry Waxman (D-CA) is retiring.

Homeland Security

- Chairman: Current Chair Michael McCaul (R-TX) is expected to continue in this role.
- Ranking Member: Bennie Thompson (D-MS) is expected to continue in this role.

Transportation and Infrastructure

- Chairman: Current Chair Bill Shuster (R-PA) is expected to continue in this role.
- Ranking Member: With the defeat of long-time Congressman Nick Rahall (D-WV), Congresswoman Peter DeFazio (D-OR), as the Committee's most senior Democrat, is in line for this position. Congressman Garamendi (D-Walnut Grove) has indicated that he will challenge DeFazio for this position

Veterans' Affairs

- Chairman: Current Chair Jeff Miller (R-FL) is rumored as a potential Chairman of the House Intelligence Committee following the retirement of current Chairman Mike Rogers (R-MI). Potential replacements for Miller include the following: the Committee's current Vice Chair Gus Bilirakis (R-FL); Doug Lamborn (R-CO); Phil Roe (R-TN); and Bill Flores (R-TX).
- Ranking Member: With the departure of Michael Michaud (D-ME), Congresswoman Corrine Brown (D-FL), the Committee's next most senior Democrat, will likely assume this role.

Ways and Means

- Chairman: With the retirement of current Chair Dave Camp (R-MI), Budget Committee Chairman Paul Ryan (R-WI) is expected to move to Chair this committee; however, Congressman Kevin Brady (R-TX), who holds more seniority on the Committee than Congressman Ryan, has announced he will seek the Chairmanship.
- Ranking Member: Sander Levin (D-MI) is expected to continue in this role.

LAME-DUCK CONGRESSIONAL FORECAST

The House and Senate will return to Washington next week for the final weeks of the 113th Congress. With a majority in both chambers when the new Congress convenes in January, the Republican Party's leadership will likely avoid any major policy disputes

during the lame duck session. Instead, they are keen to push more divisive policy discussions into the New Year, when circumstances will be more favorable to the Party.

These circumstances notwithstanding, there are a few issues of particular importance that are likely to be addressed during the lame duck session, and we have outlined these below.

Fiscal Year 2015 Appropriations

Prior to adjourning for the November elections, Congress approved a continuing resolution (CR) to fund the federal government at Fiscal Year (FY) 2014 levels until December 11, 2014. As such, a top priority for Congress during the lame duck session will be to fund the federal government beyond the CR's expiration, either through another short-term CR or with a full-year omnibus (and perhaps CR) appropriations bill that would incorporate all 12 spending bills. During recent conversations with staff from the House Appropriations Committee, we were informed that House Appropriations Chairman Harold Rogers (R-KY) has been pushing Congressional leadership, including Senate Minority Leader Mitch McConnell (R-KY) with whom he has been campaigning in Kentucky, to move forward with an Omnibus bill during the lame duck session. Furthermore, the Chairman recently indicated that Committee staff has been working during the past several weeks to negotiate various conflicts between the House and Senate versions of the 12 appropriations bills.

At this time, it seems more than likely that the Republican leadership will agree that their best path forward on this issue will be to clear the slate of appropriations bills for FY 2015 during the lame duck, thus allowing the incoming Republican-controlled Congress to start the FY 2016 process fresh. Chairman Rogers noted that this strategy would allow for Republicans to avoid repeating "old fights (*and*) we could look forward to making positive changes."

There had been some concern that, if Republicans were to win control of the Senate in the elections, the party would simply push any debate on the FY 2015 Appropriations bills until after the new Congress convened in January, 2015. However, after Senator Ted Cruz's failed attempt to garner support for this strategy during CR negotiations in September, the Republican leadership in both chambers will likely opt for advancing an Omnibus appropriations bill.

Marketplace Fairness Act

Before adjourning for the November elections, Senate Majority Leader Harry Reid (D-NV) indicated that passing the Marketplace Fairness Act (MFA) is one of his top legislative priorities for the post-election lame duck session. This legislation would address a loophole in the current tax code by effectively allowing state and local governments to collect sales tax on online and remote sales, which they are already owed under current law. The bipartisan legislation provides a pathway for states and localities across the country to collect an estimated \$23 billion annually in uncollected tax revenue by collecting taxes already owed. In all likelihood the MFA will be paired with an extension of the Internet Tax Freedom Act, which prevents local governments from collecting a tax on Internet access. Bipartisan legislation (*Marketplace and Internet Tax Fairness Act, or MITFA, S. 2609*) combining these bills was previously introduced on July 15, 2014, by Senators Lamar Alexander (R-TN), Richard Durbin (D-IL), Mike Enzi (R-WY) and Heidi Heitkamp (D-ND), and this would be the likely legislative vehicle for enacting the MFA during the lame duck.

Immigration Reform

The President has indicated that an executive order dealing with immigration is likely to be announced in the post-election period, and recent reports indicate the order could provide a path to citizenship for illegal immigrants who are currently living in the United States, increase federal assistance for border security, and address the increase in unaccompanied minors crossing the border. The precise timing of the order remains unclear.

Agreement between the House and Senate on the best path forward with regard to immigration reform legislation has, thus far, been elusive. The Senate passed its comprehensive bipartisan immigration reform bill in the summer of 2013 (*Border Security, Economic Opportunity, and Immigration Modernization Act, S.744*); however, the House has yet to address the bill because of strong opposition from House Republicans.

Regardless of when the President issues his executive order, it is likely to be met with harsh criticism from Congressional Republicans already pursuing legal action against the President for what they deem to be his persistent use of “executive overreach.”

Tax Extenders

Congress will also likely address the more than 50 expired tax incentives, along with several scheduled to expire at the end of year, commonly referred to as “tax extenders,” which would need to be renewed in order for them to be utilized in 2015 filings. Both the House and the Senate have introduced legislation to extend or in some cases make permanent certain expiring tax incentives and provisions. The most likely option for the lame duck session will be the Expiring Provisions Improvement, Reform, and Efficiency Act of 2014, or EXPIRE Act (S. 2260), a catch-all bill that provides a two-year extension for more than 50 of the provisions, while eliminating or consolidating several others. However, the Administration has publicly opposed the bill due to its lack of a clear pay-for, and Senate Republicans may choose to renegotiate the terms of this legislation, which recent reports have indicated could include a permanent extension of several business and research tax credits.