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Welcome to Womble Carlyle's Capitol Connection e-newsletter, a weekly look at politics on Capitol Hill created by our Federal and State Government Affairs group for our Members and select clients they wish to send it to.

In this edition:

- **Election Updates**
- **Presidential Transition Updates**
- **Congress Updates**
- **Leadership Line-up**
- **Committee Changes**
- **Useful links for the week**



ELECTION UPDATES

The final Electoral College vote is 365-173 for Obama with Missouri finally being called for McCain almost 3 weeks after the election. There are still two Senate contests and five House races in which the outcome remains in doubt. Pending their resolution, there is currently a 58-40 Democratic majority in the Senate and a 255-175 Democratic majority in the House that will be sworn in when the 111th Congress convenes on Jan. 6.

In the Senate, Sen. Ted Stevens conceded to Democrat Ed Begich to give the Democrats 58 seats counting the two independents (Sanders/Lieberman) that caucus with them. The official recount in Minnesota began last Wednesday with Sen. Norm Coleman starting out with a 215 vote lead over Democrat Al Franken out of 2.9 million votes cast and the recount is expected to last into December. A court challenge is expected to follow which could leave the winner still undetermined when the 111th Congress convenes in early January. In Georgia, the campaigning has begun in earnest for the Dec. 2 runoff between Sen. Saxby Chambliss and Democrat Jim Martin. Delaware Gov. Ruth Ann Minner (D) announced today that she would appoint Ted Kaufman, a former top aide to Vice President-elect Joseph Biden, to fill Biden's seat in the Senate.

In the House, the race to replace retiring Rep. Doolittle in the 4th District in California has Republican Tom McClintock leading Democrat Charlie Brown by 600 votes with a Dec. 2 deadline to complete the count. Louisiana has 2 undecided contests because Hurricane Gustav forced the general election in those districts back to Dec. 6th. Embattled and indicted Rep. William Jefferson won his Party runoff on Nov. 4th in the 2nd District and is expected to win reelection in the general. In the 4th District, Republican John Fleming, a doctor, is running against Democrat Paul Carmouche, a long-time DA, to replace Republican Ways and Means Ranking member Jim McCrery who is retiring. Ohio's 15th District contest to replace retiring Rep. Deborah Price shows Republican state senator Steve Stivers leading Democrat and Franklin County Commissioner Mary Jo Kilroy by less than 500 votes with 27,000 provisional ballots left to be counted, and could be headed to an automatic recount if the margin is less than half of a percent. Rep. Virgil Goode in Virginia's 5th District is trailing challenger Tom Perriello by 750 votes out of 366,000 cast and the race is likely headed to an official recount under state law if Goode requests once the vote is certified this week.

PRESIDENTIAL TRANSITION UPDATE

Quite a few high profile Cabinet picks were unofficially announced this week with Hillary Clinton evidently being President-elect Obama's choice for Secretary of State; Gov. Bill Richardson for Secretary of Commerce; N.Y. Federal Reserve President Tim Geithner for Treasury Secretary; former Senate Majority Leader Tom Daschle to be HHS Secretary; Arizona Gov. Janet Napolitano as Homeland Security Secretary; former Clinton Deputy Attorney General Eric Holder to take the top spot as Attorney General; and Congressional Budget Office Director Peter Orszag to lead the Office of Management and Budget.

In the White House itself, in addition to Rep. Rahm Emanuel as Chief of Staff, Jim Messina, a former Chief of Staff to Senators Baucus and Dorgan, was named Deputy Chief of Staff; former Clinton impeachment attorney Gregory Craig will be White House Counsel; Obama's Senate Chief of Staff and former Sen. Durbin aide, Pete Rouse, was named a Senior Adviser to the President; Phil Schilliro, a long time aide to both Rep. Henry Waxman and Sen. Daschle, will head the Legislative Affairs shop; campaign strategist, David Axelrod, will be another Senior Adviser to the President; former counsel to VP Gore, Lisa Brown, will be Staff Secretary; while Obama's Senate Legislative Director and former Waxman aide, Chris Lu, will be the Secretary for the Cabinet.

CONGRESS -- LAST WEEK IN NOVEMBER and WHAT TO EXPECT IN DECEMBER

Lame Duck Session Part II in December: Congress is on its Thanksgiving break this week, but both Houses will be coming back the second week of December. The Senate is scheduled to come back on Monday, Dec. 8th at 3 pm, while the House has not yet announced the exact day it will return that week.

Issues on Tap for December: While Congress last week did pass an extension of unemployment benefits that President Bush is expected to sign, it did not pass legislation to bail out the automobile industry as requested by the Detroit automakers. Congress will take the issue up again when it returns in December with details from the "Big Three" automakers as to their future plans for improving their economic situation over the short- and long-term as both Houses of Congress requested last week. The omnibus lands bill that was the stated reason for Congress returning for the lame duck session was punted until January and the 111th Congress.

The December Lame Duck session will NOT take up an economic stimulus package since Democrats and Republicans could not decide on what the bill should contain. Speaker Pelosi has announced that such a bill will be one of the first items of business in the House when the 111th Congress convenes in January and will be built on the \$61 billion bill passed by the House in September. In addition to Congress, President-elect Obama's transition team is reportedly working on a \$500-\$750 billion economic stimulus plan with the goal of creating 2.5 million jobs over the next two years. Items mentioned for inclusion in the package include a possible second round of economic stimulus checks for taxpayers and other "tax cuts" such as a mortgage interest deduction for non-itemizers making less than \$50,000; an expansion of low-income food programs; economic aid for city and county operating expenses and pension obligations; state Medicaid assistance; infrastructure project funding to include road and school repair; renewable "clean" energy initiatives and projects; an extension and expansion of Trade Adjustment Assistance; and a default shelter for transit agencies facing loan calls by banks due to the collapse of American International Group, Inc.

The odds of an economic stimulus passing in January were given added impetus by the fact that the Treasury Department just announced this past Sunday that it would inject another \$20 billion in capital into Citigroup, on top of the \$25 billion the government already injected in November, as well as guarantee losses on \$306 billion of high risk assets held by Citigroup.

Leadership Line-Ups

House Democrats: Speaker Nancy Pelosi; Majority Whip Steny Hoyer; Majority Whip James Clyburn; Caucus Chairman John Larson (replacing Emanuel); Democrat Congressional Campaign Committee Chair Chris Van Hollen; Caucus Vice Chairman Xavier Becerra (replacing Larson and defeating Marcy Kaptur).

House Republicans: Republican Leader John Boehner; Republican Whip Eric Cantor (replacing Roy Blunt); Conference Chairman Mike Pence (replacing Adam Putnam); National Republican Congressional Campaign Committee Chair Pete Sessions (replacing Tom Cole); and Republican Policy Committee Chair Thaddeus McCotter.

Senate Democrats: Majority Leader Harry Reid; Majority Whip Dick Durbin; Conference Vice Chairman Charles Schumer; Conference Secretary Patty Murray; and Robert Menendez will likely be Democratic Senatorial Campaign Committee Chair (replacing Schumer).

Senate Republicans: Republican Leader Mitch McConnell; Republican Whip Jon Kyl; Conference Chairman Lamar Alexander; Republican Policy Committee Chairman John Ensign (replacing Hutchison); National Republican Senatorial Committee Chairman John Cornyn (replacing Ensign); Republican Conference Vice Chairman John Thune (replacing Cornyn).

In addition, Stephanie Herseth Sandling, Baron Hill, and Charlie Melancon (replacing Allen Boyd, Mike Ross, and Dennis Moore) will lead the moderate Democrat Blue Dog Coalition while Tom Price of Georgia was elected to lead the conservative Republican Study Committee (replacing Jeb Hensarling).

Committee Changes

House Energy and Commerce Committee: 69-year-old Rep. Waxman successfully ousted more senior and more moderate 82-year-old John Dingell as Chairman of the powerful Energy and Commerce Committee that will deal with climate change, offshore drilling, and select health care issues such as Medicaid. The vote by the Democrat Caucus was 137-122 following the Democrat Steering and Policy Committee vote of 25-22 for Waxman. Waxman's victory was seen as a blow to both the seniority system in the House and to the more moderate wing of the Democrat Caucus.

House Oversight and Government Reform Committee: Rep. Edolphus Towns is next in line in terms of seniority to take over as Chair of the Committee to replace current Chairman Waxman, but there is widespread speculation that the Democrat Leadership and others do not support his ascension for many reasons including his support of Dingell, and are urging Representative Elijah Cummings who is close to Waxman to challenge for the post.

House Select Committee on Global Warming: Despite Waxman's defeat of John Dingell to chair the Energy and Commerce Committee which traditionally has jurisdiction over Global Warming issues in large part because of differing views within the Democrat caucus on the issue, Speaker Pelosi announced that she plans to renew this select committee in the 111th Congress which is headed by Rep. Markey.

Senate Homeland Security and Government Affairs Committee: After a vote by the entire Democrat Caucus, Sen. Joe Lieberman was allowed to retain his chairmanship of the committee despite having campaigned for John McCain during the general election. Lieberman was forced to give up his spot on the Environment and Public Works Committee which means he lost the chairmanship of a subcommittee.

Senate Appropriations Committee: Current Chair Byrd to be replaced by Sen. Inouye.

Senate Commerce Committee: Current Chair Inouye to be replaced by Sen. Rockefeller.

Senate Foreign Relations Committee: VP-elect Biden to be replaced by Sen. Kerry.

Senate Intelligence Committee: Current Chair Rockefeller to be replaced by Sen. Feinstein.

Senate Rules Committee: Current Chair Feinstein to be replaced by Sen. Schumer.

Senate Energy Committee: Current retiring Republican Ranking member Domenici to be replaced by Sen. Murkowski.

Last week Speaker Pelosi picked Richard H. Neiman (a NY State bank superintendent) and Majority Leader Reid chose Elizabeth Warren (Harvard law professor) and they jointly tapped Damon Silvers (Assoc. Gen. Counsel at the AFL-CIO) to serve on the Congressionally created TARP Program Oversight panel last week. This week Senate and House Republican Leaders McConnell and Boehner chose Sen. Judd Gregg and Rep. Jeb. Hensarling respectively to serve on the panel.

A few useful links for the week

<http://www.change.gov/> -- A link to all things Obama-Biden. Links to transition team members and ethics rules for serving.

<http://www.politico.com/politico44/> -- Gives up-to-the-minute information on the Obama transition.

<http://www.presidential-inauguration.com/> -- A link for information on the how, where, and how much related to inaugural balls in January.

If you would like additional information on any of these items or have any comments on how we can improve this product for you, please contact either Mark Harkins at mharkins@wcsr.com or John Mashburn at jmashburn@wcsr.com.

Federal and State Government Affairs Team

Womble Carlyle is an experienced and effective government affairs advocate in Washington, as well as North Carolina and Georgia. Our Government Affairs group includes members from both major political parties who previously held the following positions: four-term North Carolina Governor; former Maryland Governor; Chief Justice of the North Carolina Supreme Court; General Counsel and Deputy General Counsel of the FEC; four-term North Carolina State Senator; Chief of Staff to the Co-Speaker of the N.C. House of Representatives; and two Chiefs of Staff to United States Senators.

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