



EVERYTHING MATTERS

Political Update
2010 Mid-Term Elections
and 112th Congress

Updated - November 5, 2010

Overall Conclusions



- How big was the Republican wave in Congress?
 - CNN projects Republican gain of 65 House seats¹
 - Usual average midterm loss for a President under 50% approval = 36 House seats
 - 1982: Reagan lost 26 House seats
 - 1994: Clinton lost 52 House seats
 - Republicans gained 6 Senate seats
 - 1982: Reagan lost no Senate seats
 - 1994: Republicans regained Senate control, winning 8 seats
 - Republicans won more House seats than 1994 and had similar gains in the Senate
 - Regained House control but not Senate control
 - Diminished Democrats' ability to muster a filibuster-proof majority
- Impact of sweeping Republican victories in Congress?
 - House rules allow Speaker to prevail with whatever agenda Republicans agree on
 - With narrow Senate control, Democrats lack ability to overcome a filibuster
 - Republican gains in Congress create competing agenda to Democratic priorities
 - Unclear whether Republican gains temper or fuel Obama regulatory overreach
 - Large initiatives (e.g. Bush tax cuts and deficit reduction) will be hotly contested

¹ CNN estimate as of 1pm Nov. 5

- Outlook for 2012
 - Opportunity for Republicans to consolidate control of both houses
 - Democrats would need 2006-size wave to displace current 20+ Republican House margin
 - Redistricting favors Republicans given state race results
 - Republicans defeated many of the Democrats' strongest candidates in swing districts
 - Republicans defend far fewer Senate seats in 2012 and 2014
 - Decisive factors for 2012
 - 2010 = referendum on sweeping Democratic initiatives and handling of economy
 - Wars and foreign policy not big factors, for now
 - Taxes and deficit demand attention before 2012 elections
 - Administration's regulatory agenda will displace earlier broad legislative initiatives
 - Clinton and Reagan won reelection despite poor midterm results, with sufficient economic growth to persuade voters country was moving in right direction
 - 2012 elections will conflate all these issues

What are our clients' concerns?



- Uncertainty regarding taxes and deficit
 - Economic growth is inhibited
 - Momentous legislative decisions on business taxes unavoidable
 - Likely spending cuts spark similar concerns
- Expansive regulation
 - Some clients, already experiencing regulatory intrusions, have embraced litigation
 - Others, concerned about upcoming regulation, pursue relief in the agencies and Congress
- Some clients have been subject to investigations by Democrats in Congress
 - Republican congressional investigations of proposed regulations likely

- A one-dimensional approach won't achieve results in this environment
 - To protect their interests, clients need leverage in Congress, the regulatory process, and the courts
 - Every governmental decision between now and 2012 has electoral impact, a source of further leverage
- Integrated approach: legislative, executive branch and regulatory, litigation/enforcement and political/public relations
 - Legislative:
 - Bipartisan reach in both houses/leadership
 - Extensive experience in congressional oversight of executive regulatory process
 - Record of success for clients in congressional investigations
 - Significant expertise in tax and deficit reduction legislation
 - Executive branch and regulatory:
 - Broad and deep relationships across agencies in the Administration
 - Extensive rule-making experience:
 - Agency notice and comment process;
 - Rule challenges; and
 - Congressional input and oversight.

DLA Piper's Integrated Approach (continued)



- Litigation/enforcement:
 - Broad-based and far-reaching litigation capabilities
 - Pre-emptive litigation
 - APA
 - Constitutional challenges
 - Defensive litigation
 - Defense of class actions, qui tam, SEC enforcement actions, etc.
 - Congressional/regulatory investigations
- Political/public relations:
 - Define the issue before opposition does
 - Create political accountability in the media and among constituents
 - Generate grassroots support
 - Leverage national and global footprint

Balance of Power in Congress



Senate

	111 th Congress	112 th Congress
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Democrats	59	53 ¹
Republicans	41	47 ²

¹ Two Independents caucus with Democrats

² Assumes Alaska remains Republican

Note: Data as of 1pm on November 5, 2010

House of Representatives

	111 th Congress	112 th Congress
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Democrats	255	187
Republicans	178	239
TBD		9

Balance of Power in the States



Governors

State Houses

	Current	Future		Current	Future
Democrats	26	18	Democrats	27	16
Republicans	23	29	Republicans	14	25
Independents	1	1	Split	8	5
TBD		2	Nonpartisan/ Unicameral	1	1
			TBD		3

Note: Data as of 1pm on November 5, 2010

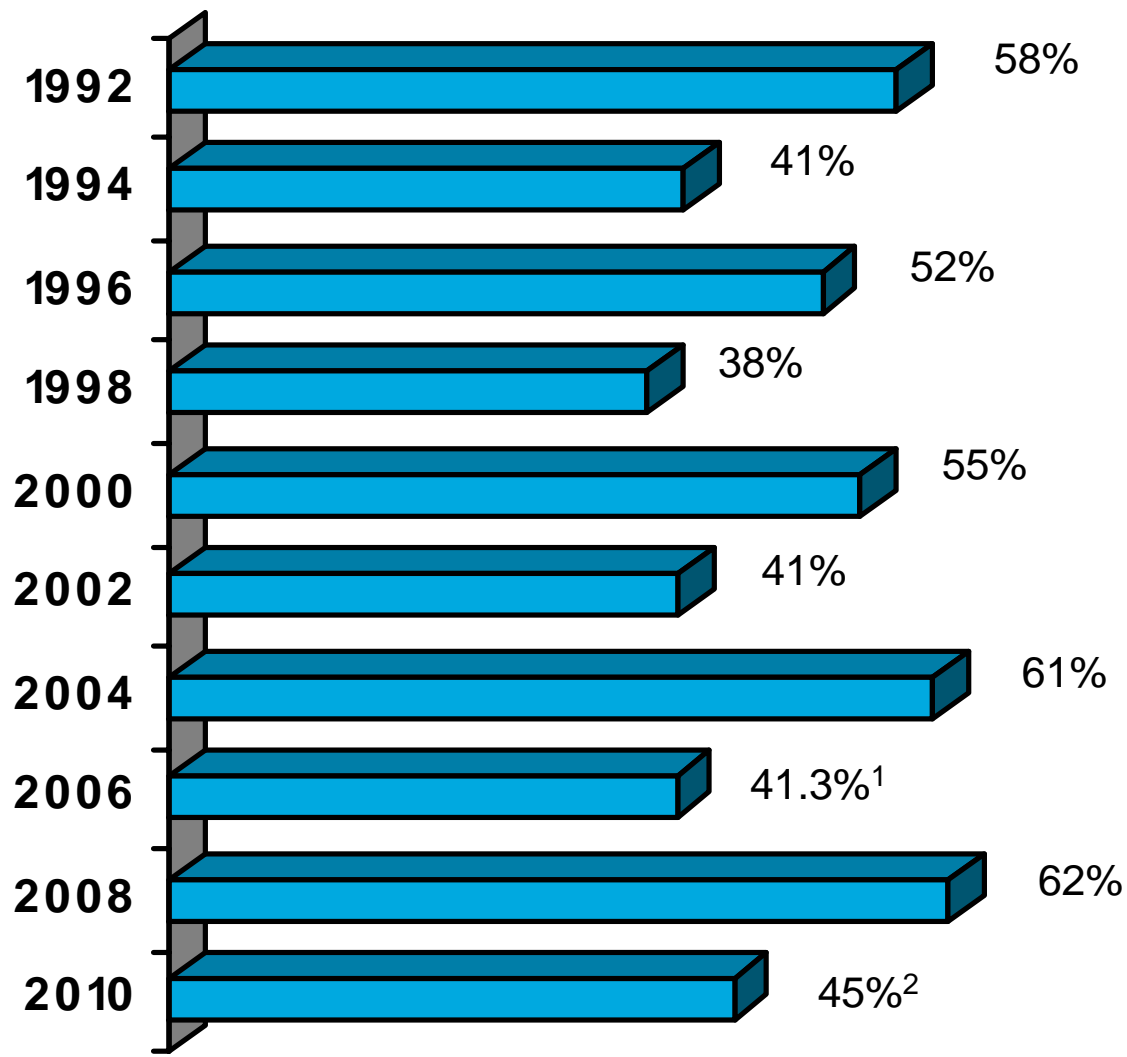
Approval Ratings at Record Lows



- **Congressional job approval at 21%** as of October 27
 - This is tied with the lowest congressional approval score in a midterm election year, 21% in 1994 and 2006
- President Barack **Obama's job approval rating averaged 46%** as of Oct. 26 (up from the 43% low point recorded in late August)
- Since 1946, when presidents are below 50% approval, their party **loses an average of 36 seats** in the U.S. House in the midterm elections
- As of October 24, 64% of voters say the country is heading down the wrong track, according to Rasmussen Reports

Source: Gallup, unless otherwise noted

Voter Turnout Is Key: Midterm v. Presidential Elections



Note: percentages are of total ballots counted of eligible voting population.

¹ Over 85 million voters: highest midterm turnout since 1982 (42.1%)

² Gallup projection, Oct.31, 2010

Source: United States Elections Project, George Mason University and Gallop

Voter Turnout Is Key: Midterm v. Presidential Elections (continued)



- Midterms are poor predictors of presidential elections
 - Reagan and Clinton had poor midterms but won reelection
- Turnout is key
 - Turnout has risen steadily since 2000

Year	Turnout (in millions)	Year	Turnout (in millions)
2000	107.4 (55.3%)	2002	80.3 (40.5%)
2004	123.5 (60.7%)	2006	85.7 (41.3%)
2008	132.6 (62.2%)	2010	98.1 ¹ (45% ²)

Source: United States Elections Project, George Mason University

¹ Based on United States Elections Project 2010 Voting Eligible Population of 218.0 million

² Gallup projection, Oct.31, 2010

- Will 2012 surpass 2008 turnout?

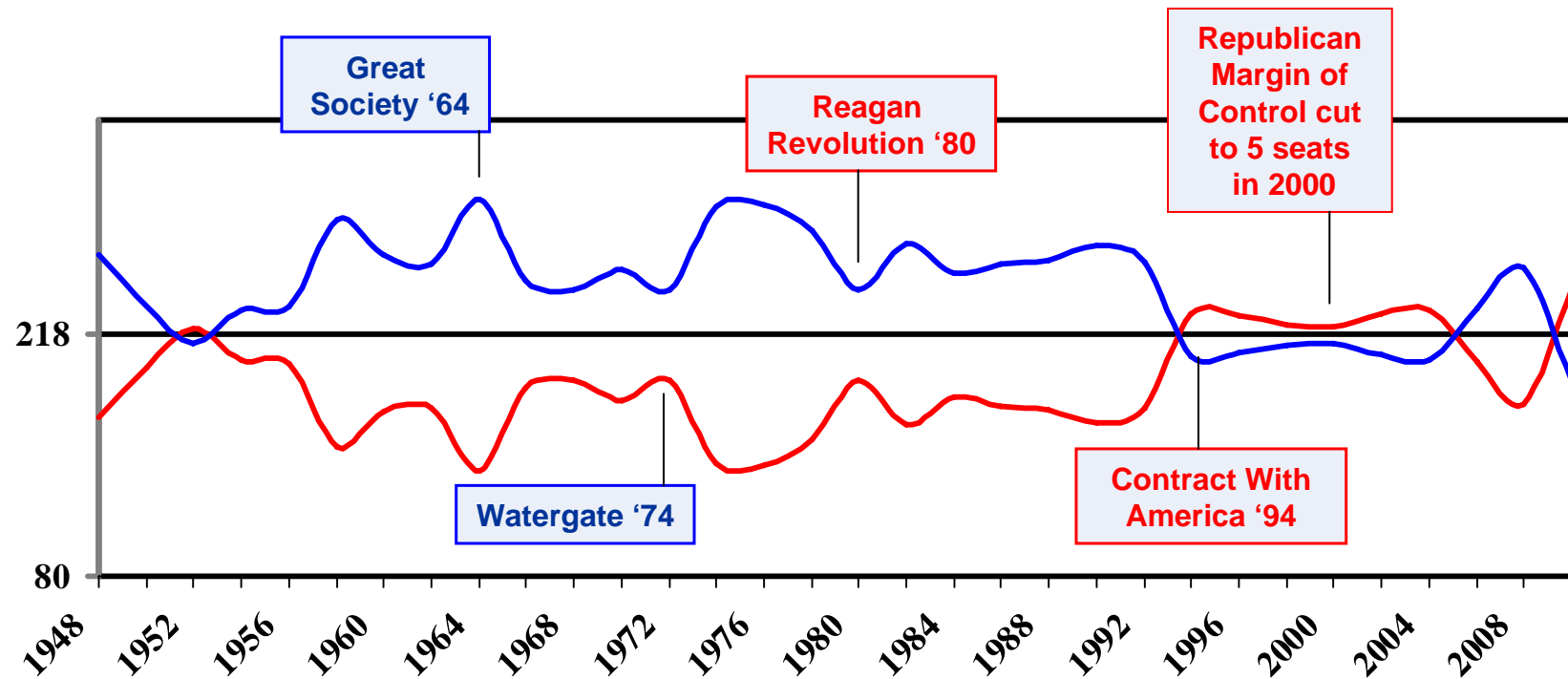
Highlights from 2010 House Elections



- According to CNN estimates, Republicans will gain 65 seats in the House
- Incoming Speaker John Boehner (R-OH) will oversee at least a 51-seat majority
- At least 21 Democratic freshmen were defeated
- At least 22 of 54 Blue Dog moderates were defeated, with 6 more not seeking reelection
- At least 9 races are undecided

- Three sitting House chairmen were defeated:
 - Budget Chairman John Spratt (D-SC)
 - Armed Services Chairman Ike Skelton (D-MO)
 - Transportation and Infrastructure Chairman Jim Oberstar (D-MN)
- Other notable losses:
 - Rick Boucher (D-VA); Energy and Commerce, Subcommittee Chair
 - Paul Kanjorski (D-PA); Financial Services, Subcommittee Chair
 - Earl Pomeroy (D-ND); Ways and Means
 - Chet Edwards (D-TX); Appropriations, Subcommittee Chair
 - Gene Taylor (D-MS); Armed Services Subcommittee Chair
- Republicans lost two GOP-held seats:
 - Anh “Joseph” Cao (R-LA); freshman
 - Charles Djou (R-HI); freshman

U.S. House of Representatives Equilibrium

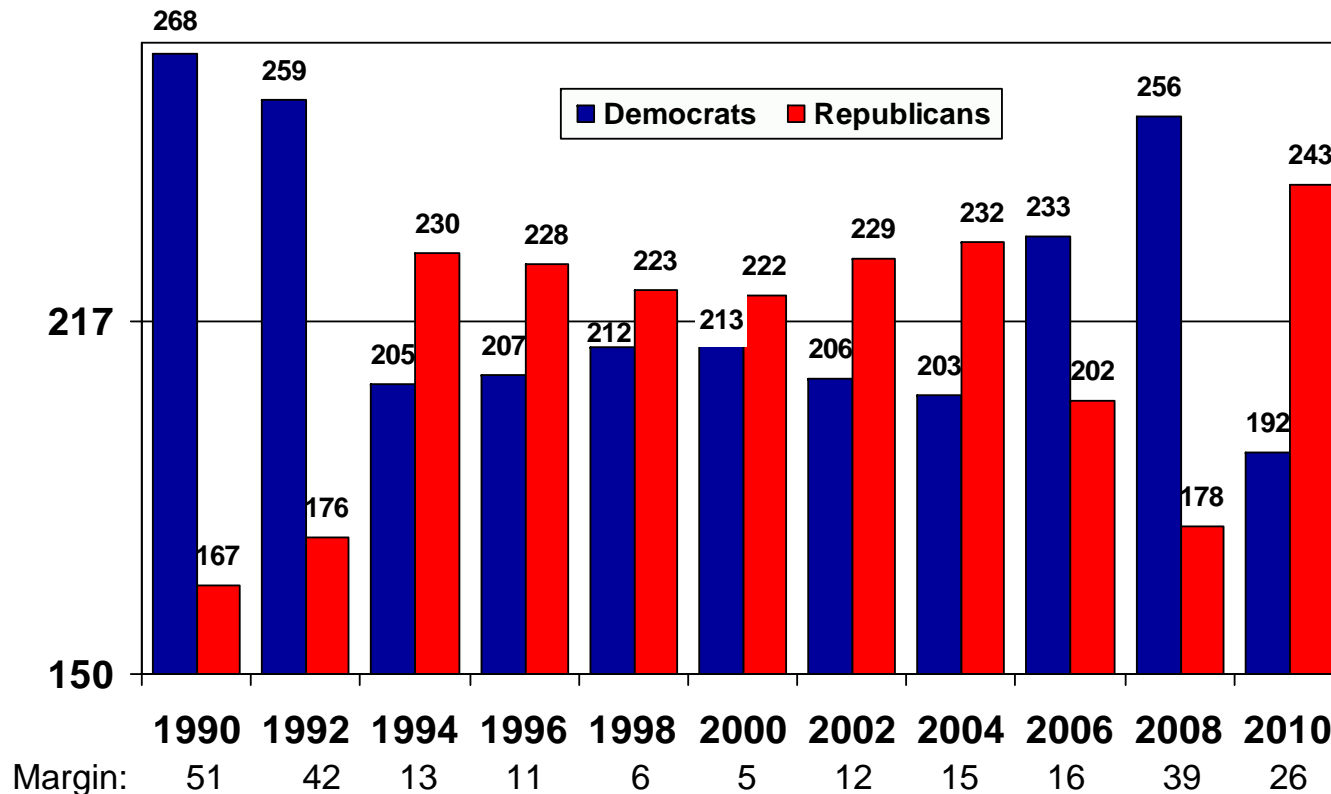


Source: CNN estimate as of 1pm Nov. 5

Note: Party divisions based on election day results; Independents counted with party caucused with.

Source: Office of the Clerk, House of Representatives

Political Equilibrium in House Elections



Source: CNN estimate as of 1pm Nov. 5

- 1990: Democratic margin of control 50 seats
- 1994: Elections produce 13 seat margin of Republican control
- 2006/2008: Pelosi/Emanuel gain 55+ seats in Blue Dog districts
- 2010: GOP restores narrow margin; can Republicans hold or grow, especially in Obama presidential election?

Note: Party divisions based on election day results; Independents counted with party caucused with.

Source: Office of the Clerk, House of Representatives

2010 Senate Elections



- 37 Senate seats up in 2010 (19 Democratic vs. 18 Republican)

- Democratic seats that went Republican¹:

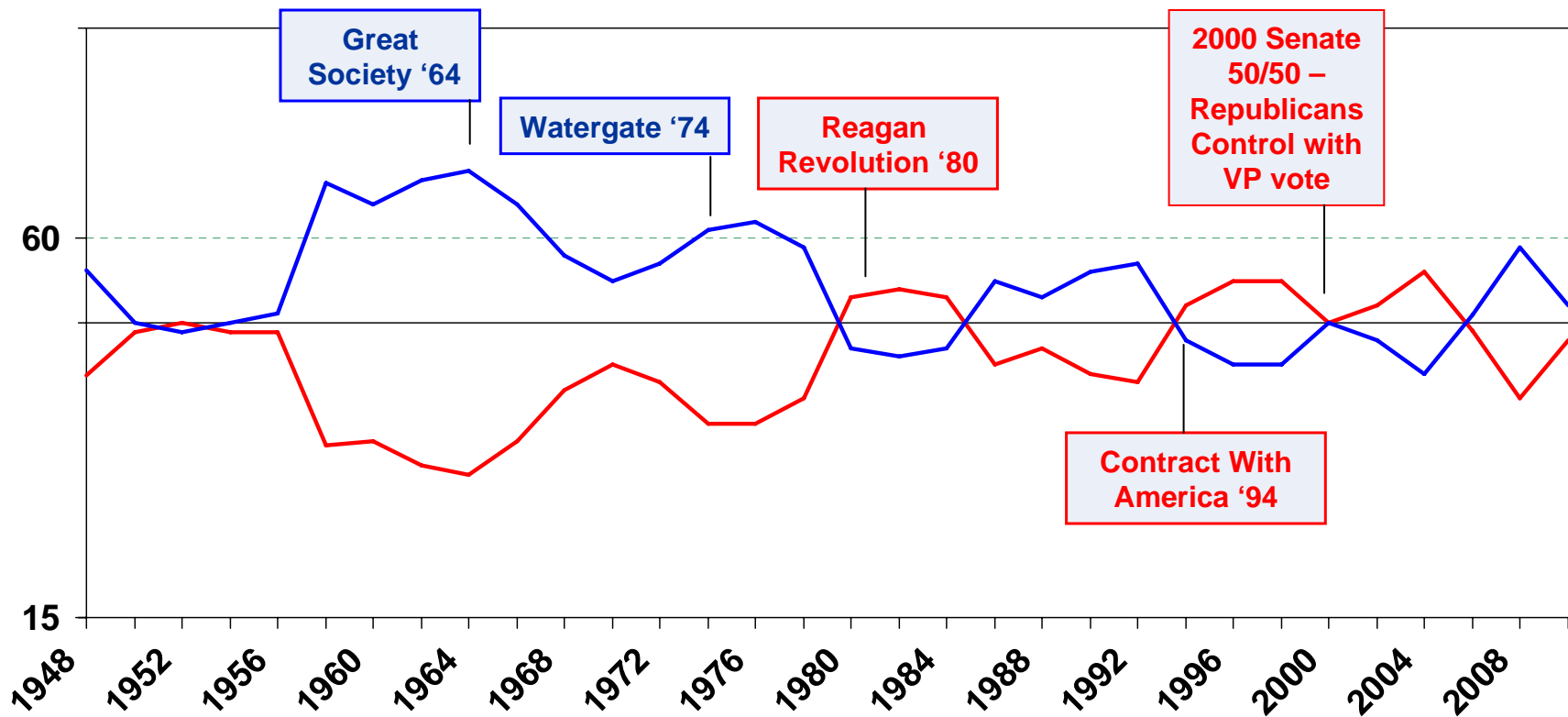
Arkansas	Boozman (R) +21	<i>Lincoln (D)</i>
Illinois	Kirk (R) +2	Giannoulas (D)
Indiana	Coats (R) +15	Ellsworth (D)
Pennsylvania	Toomey (R) +2	Sestak (D)
North Dakota	Hoeven (R) +54	Potter (D)
Wisconsin	Johnson (R) +5	<i>Feingold (D)</i>

- Democrats' firewall holds:
 - CA, CO, CT, DE, NV, WA, WV

¹ Source: Real Clear Politics

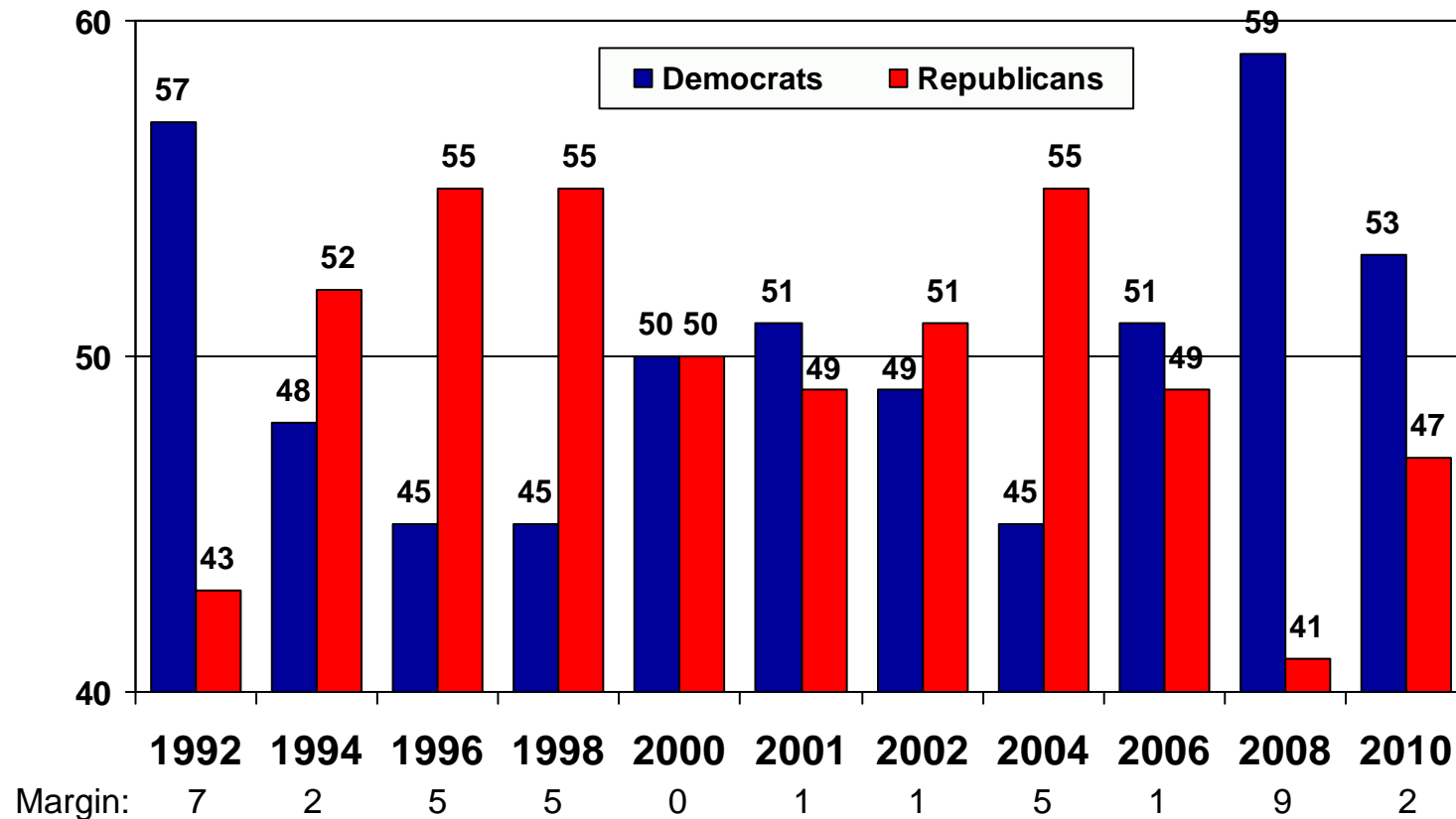
Note: Data as of 1pm on November 5, 2010

U.S. Senate Equilibrium



Note: Data as of 1pm on November 5, 2010

Political Equilibrium in Senate Elections



Note: Data as of 1pm on November 5, 2010

- 2006 Election: Democrats regain control: one-vote margin
- 2008: Obama “change” election
- 2010: Anti-Obama/incumbent election; restores near parity

Note: Independents counted with party caucused with.

Source: United States Senate

- Results have potentially far-reaching effects on issues
 - Challenge to new healthcare law
 - Congressional redistricting
 - Presidential politics
- Important Governor's races:
 - Races in California and Florida were the most expensive contests in 2010
- Key gains for Republicans include:
 - PA, OH, MI, WI, NM, FL

Key Governors Races



State	Incumbent/ Open/Party	Democrat	Republican	Result (Repub./ Dem.)
California	Open/R	Jerry Brown	Meg Whitman	Democrat
Florida	Open/R	Alex Sink	Rick Scott	Republican
Illinois	Incumbent/D	Patrick Quinn	Bill Brady	Democrat
Ohio	Incumbent/D	Ted Strickland	John Kasich	Republican
Oklahoma	Open/D	Jari Askins	Mary Fallin	Republican
Oregon	Open/D	John Kitzhaber	Chris Dudley	Democrat
Michigan	Open/D	Virg Bernero	Rick Snyder	Republican
New Mexico	Open/D	Diane Denish	Susana Martinez	Republican
Pennsylvania	Open/D	Dan Onorato	Tom Corbett	Republican
Wisconsin	Open/D	Tom Barrett	Scott Walker	Republican

- New Senators likely in lame duck
 - In at least 3 states (Illinois, West Virginia, Delaware and possibly Colorado) the new senators are set to be **sworn in immediately**
- Unfinished business:
 - 2011 defense authorization bill
 - Expiring tax cuts and extenders
 - Fiscal 2011 appropriations
 - Energy
 - Immigration
 - Doc Fix

Possible Outcomes of Legislation in Lame Duck



- Tax bill options:
 - 1-2 year extension of **both** top rates and middle class
 - 1-2 year extension of **top** rates and permanent for middle class
 - Extend only **middle class** rates
 - Related issues: estate tax, AMT patch, extenders, doc fix
 - Stalemate – punt until January/February
- Appropriations options:
 - CR until March or later
 - Republicans will press to limit spending to FY08 levels; Democrats prefer current levels
 - Omnibus
- Defense authorization bill:
 - Negotiation/compromise in December?

New Senate Leadership/Key Committees



Senate Democratic Leadership Candidates

Position	Democrat
Leader	Harry Reid (NV)
Whip	Dick Durbin (IL)
Policy Committee Chair	TBD
Conference Chair	Harry Reid (NV)

Senate Republican Leadership Candidates

Position	Republican
Leader	Mitch McConnell (KY)
Whip	Jon Kyl (AZ)
Policy Committee Chair	John Thune (SD)
Conference Chair	Lamar Alexander (TN)

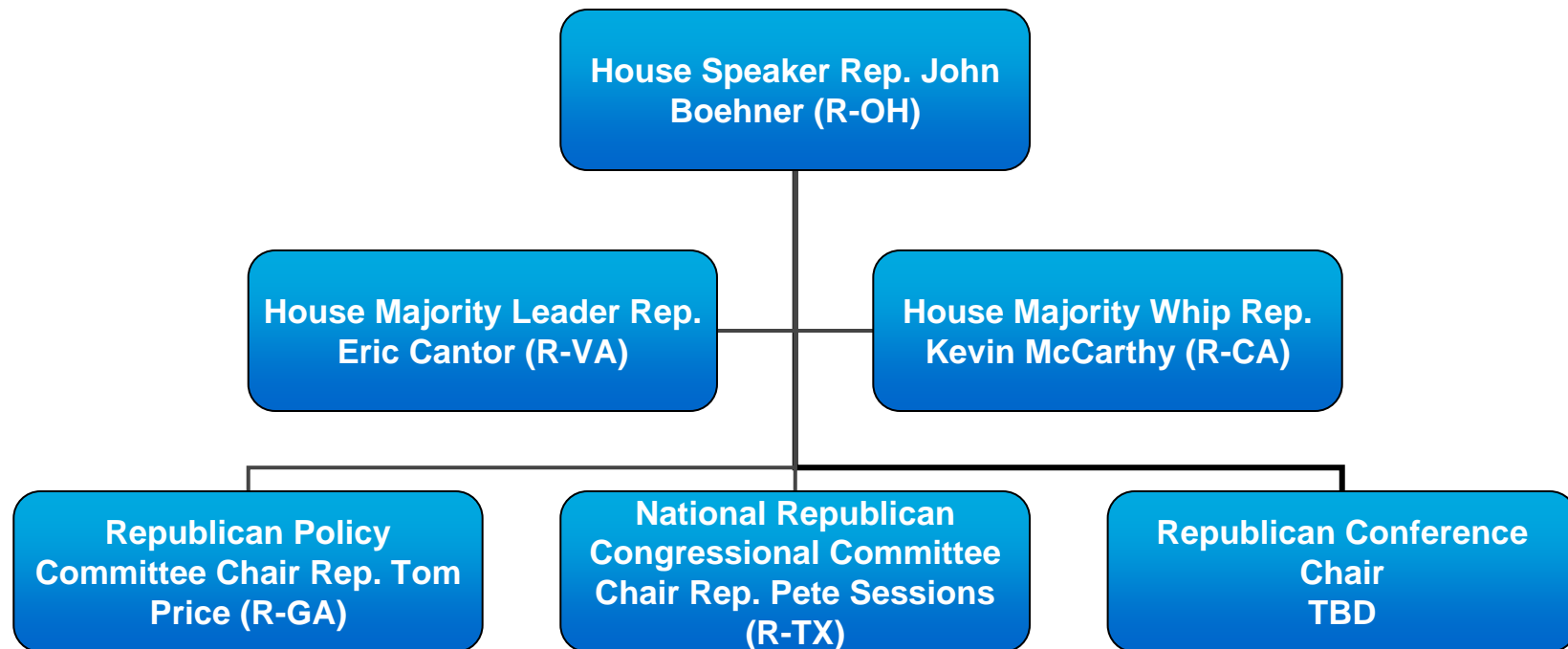
112th Senate Committee Leadership



SENATE COMMITTEES

Committee	Chairman (D)	Ranking Member/Vice Chairman (R)
Agriculture	Stabenow (MI) (expected)	Saxby Chambliss (GA)
Appropriations	Daniel Inouye (HI)	Thad Cochran (MS)
Armed Services	Carl Levin (MI)	John McCain (AZ)
Banking	Tim Johnson (SD) (expected)	Richard Shelby (AL)
Budget	Kent Conrad (ND)	Jeff Sessions (AL)
Commerce	Jay Rockefeller (WV.)	Kay Bailey Hutchison (TX)
Energy & Natural Resources	Jeff Bingaman (NM)	Lisa Murkowski
Environment & Public Works	Barbara Boxer (CA)	James Inhofe (OK)
Finance	Max Baucus (MT)	Orrin Hatch (UT)
Foreign Relations	John Kerry (MA.)	Dick Lugar (IN)
Health, Education, Labor and Pensions	Tom Harkin (IA)	Mike Enzi (WY)
Homeland Security & Gvt. Affairs	Joe Lieberman (CT)	Susan Collins (ME)
Judiciary	Pat Leahy (VT)	Chuck Grassley (IA)

Possible GOP Leadership in House



Other leaders:

- Greg Walden (OR): Leadership Chair
- Cathy McMorris Rodgers (WA): Republican Conference Vice-Chair
- John Carter (TX): Conference Secretary
- Jeb Hensarling (TX): running for Conference Chair

112th House Committee Leadership



HOUSE COMMITTEES		
Committee	Chairman (R)	Ranking Member/Vice Chairman (D)
Appropriations	Jerry Lewis (CA) (needs waiver) Harold Rogers (KY)	Norm Dicks (WA)
Armed Services	Buck McKeon (CA)	TBD
Education & Labor	John Kline (MN)	George Miller (CA)
Energy & Commerce	Joe Barton (TX) (needs waiver) Fred Upton (MI) John Shimkus (IL)	Henry Waxman (CA)
Financial Services	Spencer Bachus (AL) Ed Royce (CA) Jeb Hensarling (TX) Scott Garrett (NJ)	Barney Frank (MA)
Foreign Affairs	Ileana Ros-Lehtinen (FL)	Howard Berman (CA)
Homeland Security	Peter King (NY) (needs waiver) Candice Miller (MI)	Bennie Thompson (MS)
Judiciary	Lamar Smith (TX)	John Conyers (MI)
Oversight & Govt. Reform	Darrell Issa (CA)	Ed Towns (NY)
Ways & Means	Dave Camp (MI)	Sandler Levin (MI) Richard Neal (MA) (?)

Republican Goals for 112th Congress



- **Increased communication** between Congress and American people – more outreach and field hearings
- **Methodical approach** to legislation (ex. health care over 6 mo.)
- Appropriations – **individual bills** instead of omnibus
- **Return to committee structure** in both houses
 - GOP will return power to committee chairs
 - Legislation will be developed in committees
 - Regular order procedures
- GOP Leaders' caution:
 - Don't overpromise to business community
 - Expect serious budget cuts

Expectations for a GOP House Majority



- Budget cuts:
 - Cut \$100 billion out of \$1.2 trillion budget
 - 10%-20% cuts in some accounts
 - Resist legislation that has costs that are not offset
- Taxes:
 - Push to extend Bush tax cuts and business extenders
 - Corporate tax reform – GOP will move slowly
 - Want Obama to take lead
 - Repatriation – need “game changer” in perception
- Healthcare
 - Effort to repeal and/or scale back
 - Substantial oversight of implementation
 - Attempts to defund
- Trade:
 - Korea and Colombia FTA more likely
 - China currency legislation less likely
- Immigration:
 - Focus on border security
 - Obama and Senate will have to push larger reform
 - Rifle shot bill (H1B) remote possibility

- Republican Leadership in both Chambers will need to work with Senate Democrats and the Administration.
- Job creation, deficit reduction and national security will remain top Democratic priorities.
- In the near-term, expect Democrats to focus on:
 - Extension of middle class tax cuts
 - Passage of new START Treaty
 - Implementation of the Affordable Care Act (ACA)
 - Implementation of The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank)
 - Advancing sustainable energy policies through legislation and regulation
 - Education reform, including reauthorizing No Child Left Behind
 - Immigration Reform

2012 Senate Elections



- 23 Democratic seats (includes 2 independents)
 - 7 Democratic seats won with less than 55% in 2006
 - Connecticut (Joe Lieberman)
 - Maryland (Ben Cardin)
 - Missouri (Claire McCaskill)
 - Montana (Jon Tester)
 - New Jersey (Bob Menendez)
 - Rhode Island (Sheldon Whitehouse)
 - Virginia (Jim Webb)
 - 10 Republican seats
 - 2 Republican seats won with less than 55% in 2006
 - Arizona (Jon Kyl)
 - Tennessee (Bob Corker)
 - Other races to watch:
 - Dem: Nelson (FL), Stabenow (MI), Nelson (NE), Conrad (ND), Brown (OH), Manchin (WV) Cantwell (WA)
 - GOP: Brown (MA), Hatch (UT)

- Near-term: Lame Duck Session
 - Seven major tax issues are pending: (1) Bush tax cuts; (2) dividend and capital gains rates; (3) business extenders; (4) doc-fix extension; (5) AMT patch; (6) estate tax; (7) social security \$250 catch-up adjustment.
 - Republicans may offer the President a deal – temporary extension of **all** Bush tax cuts plus the other 6 pending issues. President likely to demand a short-term stimulus bill as well, including possible extension of the HIRE credit and bonus depreciation.
 - 50% chance a deal is made – Democrats could decide instead to abandon the entire agenda and force Republicans to deal with it in early 2011.
- Long-term agenda
 - If Democrats do not agree to these tax extensions in the Lame Duck, the early part of the 2011 agenda will be dominated by these tax issues.
 - Republicans are expected to propose some new tax incentives to help sectors of the economy: A long-term credit to encourage home buying is expected.
 - Congress is likely as well to review the current extenders and decide whether make some permanent, and maybe drop others completely.
 - A major effort will be made to make the research credit permanent.
 - Repatriation could become a top issue for GOP as way to create jobs

- Affordable Care Act (ACA) implementation efforts will continue, with key regulations being issued with widespread impact on the industry and consumers.
- House Republicans will use oversight authority to complicate the Obama Administration's efforts and to examine the process used to pass the bill.
- Key issues remain:
 - Constitutional challenges to the individual mandate will make their way to the Supreme Court.
 - Most wholesale repeal efforts would be futile, but some efforts to repeal or scale back provisions of the bill could advance.
 - Efforts to strip funding for implementation of the law will result in a very uncertain environment for the health care sector.
 - Complexities and uncertainty will result from various state approaches to health reform implementation, and Governors will continue to challenge provisions.

For-Profit Education Overview



- The Obama Administration's Department of Education (DOE) has issued an NPRM for a sweeping Gainful Employment (GE) regulation which could adversely impact "at risk" students.
- Senator Harkin has initiated a HELP Committee investigation of the for-profit sector with broad document discovery for possible future legislative action supported by Senator Durbin.
- Accompanying litigation includes Qui Tam lawsuits, as well as SEC investigations, DOE program reviews and potential accreditation by-law changes.
- Final version of DOE regulations relating to enrollment counselor compensation and new program reviews published on October 29, 2010 with a July 2011 effective date.
- GE regulation delayed until early 2011, with July 2012 effective date.
- DOD's proposed regulations on recruiting military personnel and dependents based on "MOU's" with for-profit institutions.
- Possible attempt by Senate Democrats in "lame duck" to codify GE regulations in omnibus legislation or other vehicles.
- Rep. Andrews actively seeks to enlist as many as 100 House Democrats to oppose DOE's GE regulation, including Towns and other CBC Members. Objective is to block implementation of GE rule or to revise definition along lines of Andrews' "Quality Index."
- House Republican Majority would have flexibility to move legislation opposing harmful Obama Administration/DOE activities with support by Andrews' Democratic coalition.

- The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) is the broadest regulatory overhaul of the U.S. financial services industry since the Great Depression.
- Republicans remain unhappy with many aspects of Dodd-Frank, and leadership has expressed a strong desire to re-work certain provisions, including:
 - The funding mechanism for the CFPB; and
 - The scope of limitations on proprietary trading under the Volcker rule.
- Both may move higher on the agenda as Republicans assume leadership in the House.
- More than 240 new rules are expected to be promulgated in Dodd-Frank.
- As noted by the Wall Street Journal, the act of signing Dodd-Frank into law “is when the real battle will begin to shape the new rules of Wall Street. The unifying theme of the [Act] is to hand even more discretion and authority to ... regulators.”
- The rulemaking process contemplates input by affected parties. The comment process provides a critical opportunity to help shape some of the vital details of rules that may be in place for years to come.
- Oversight committee likely to hold hearings on implementation of Dodd-Frank.

- Due to the changes in Congress, little environmental legislation will be addressed. However, EPA will proceed with major rulemakings that will have a tremendous impact.
- **EPA** has demonstrated its intent to impose comprehensive, stringent new standards and requirements on many sectors of the economy.
- Climate Change and Regulations of GHG Emissions– key issue in 2011
- **California Proposition 23**, ballot initiative to block California from adopting a cap and trade program, failed
- Gov. Brown and California regulators will proceed to adopt and implement a cap and trade program to reduce emissions of greenhouse gases
- **EPA regulations** that are “in the pipeline” will have direct and indirect effects on utilities, manufacturers, energy suppliers, builders, farmers, the service industry, consumers and investors. Examples include:
 - Hazardous air pollutants;
 - Ground level ozone;
 - Storm water
 - Cooling water intake at power plants;
 - Automobiles and trucks;
 - Nano-scale products;
 - Underground storage tanks;
 - Airport de-icing operations;
 - Residential wood heaters;
 - Recreational boats; and
 - Lead paint in buildings and public structures (e.g., bridges)



Backup Information

Issues of Most Concern to Voters: Economy, Spending and Health Care



	% Democrats	% Independents	% Republicans	All Registered Voters
Economic conditions	51	43	36	43
Healthcare	31	17	20	23
The size and power of the federal government	3	23	28	18
The situation in Afghanistan	3	6	4	6
Illegal immigration	4	5	8	5

Source: Gallup, Oct. 21-24, 2010

Top 10 NRCC Investments



- The following are the top 10 races (all Democratic incumbents and open seats) where the NRCC has invested the most¹:

1. Rep. Mark Schauer (MI)	\$1,210,000
2. Rep. Dina Titus (NV)	\$1,091,000
3. Washington's 3rd district open seat	\$954,000
4. Rep. John Boccieri (OH)	\$909,000
5. Rep. Ike Skelton (MO)	\$886,000
6. Rep. Betsy Markey (CO)	\$840,000
7. Michigan's 1st district open seat	\$821,000
8. Rep. Ann Kirkpatrick (AZ)	\$801,000
9. Rep. Earl Pomeroy (ND)	\$793,000
10. Rep. Zack Space (OH)	\$769,000
- NRCC spent \$54 million on 90 races²

¹ Source: CQ, October 16, 2010

² Source: NRCC, November 1, 2010

Key House Swing/Toss Up Races



District	Incumbent/ Open	Democrat	Republican	Result (Repub./ Dem.)
AL-02	Incumbent	<i>Bobby Bright</i>	Martha Roby	Republican
AZ-05	Incumbent	<i>Harry Mitchell</i>	David Schweikert	Republican
FL-22	Incumbent	<i>Ron Klein</i>	Allen West	Republican
FL-25	Open	Joe Garcia	David Rivera	Republican
IN-09	Open	Baron Hill	Todd Young	Republican
IL-17	Incumbent	<i>Phil Hare</i>	Bobby Schilling	Republican
MA-10	Open	Bill Keating	Jeff Perry	Democrat
MI-07	Incumbent	<i>Mark Schauer</i>	Tim Walberg	Republican
NM-01	Incumbent	Martin Heinrich	John Barela	Democrat
NV-03	Incumbent	<i>Dina Titus</i>	Joe Heck	Republican
NY-19	Incumbent	<i>John Hall</i>	Nan Hayworth	Republican
OR-05	Incumbent	Kurt Schrader	Scott Bruun	Democrat
PA-08	Incumbent	<i>Patrick Murphy</i>	Mike Fitzpatrick	Republican
SD-At Large	Incumbent	<i>Stephanie Herseth Sandlin</i>	Kristi Noem	Republican

The Great Tax Cut Debate: The Proposals and 10-Year Costs (in billions)



▪ Income Tax:

- Upper-Income Rates: **\$700.0**
- Middle-Income Rates: **\$1,180.0**
- Marriage Penalty Relief: **\$359.6**
- Child Tax Credit: **\$359.5**
- Other Income Taxes: **\$27.3**

▪ Other Taxes:

- Small-Business Expensing: **\$25.7**
- Make Work Pay: **\$61.8**
- Alternative Minimum Tax: **\$583.6¹**
- Extenders: **\$62.6**

▪ Estate Tax:

- Sustain 0% Estate Tax Rate: **\$666.1**
- Kyl-Lincoln Proposal: **\$315.0**
- Obama Proposal: **\$253.3**

▪ Dividends and Capital Gains:

- Extend Current 15% Rates: **\$314.6**
- Obama Proposal: **\$238.3**

▪ Extenders: **\$62.6**

▪ Obama's "New" Stimulus:

- Research Credit: **\$100.0**
- Bonus Depreciation : **\$30.0**

¹ Ten-year figure assumes expiration of all Bush tax cuts. If all Bush tax cuts are renewed, the AMT costs \$658 billion over 10 years.

Source: Bloomberg Businessweek, published Sept. 17, 2010, updated Sept. 30, 2010

“Pledge to America” Highlights

- **Job Creation and the Economy**
 - Permanently extend the tax cuts scheduled to expire Jan. 1, 2011
 - Small businesses a tax deduction equal to 20 percent of their business income
 - Require congressional approval of new federal regulations costing \$100 million or more a year
 - Repeal the mandate that small businesses report to the IRS vendors paid more than \$600 annually
- **Spending and the Size of Government**
 - Cancel unspent stimulus funds and prevent the extension of the stimulus spending timeline
 - Roll back government spending to pre-stimulus, pre-bailout levels (FY08)
 - Set strict budget caps to limit annual federal spending
 - Cancel the Troubled Asset Relief Program
 - Shrink the Fannie Mae and Freddie Mac portfolios
 - Impose a net hiring freeze on non-security federal employees
 - Set benchmarks for Social Security, Medicare and Medicaid
- **Health Care**
 - Immediately repeal the health care overhaul
 - Overhaul medical liability laws
 - Allow individuals to buy health care across state lines
 - Expand health savings accounts
 - Expand state high-risk pools and reinsurance programs; reduce the cost of coverage
 - Make it illegal for insurance companies to deny coverage due to a pre-existing condition
 - Retain pre-existing condition and life time caps provisions

Senators Up For Re-Election in 2012



State	Incumbent	Party	2006 Election Results
Arizona	Jon Kyl	Republican	Jon Kyl (R) 53%, Jim Pederson (D) 44%
California	Dianne Feinstein	Democratic	Dianne Feinstein (D) 59%, Dick Mountjoy (R) 35%
Connecticut	Joe Lieberman	Independent Democrat	Joe Lieberman (I) 50%, Ned Lamont (D) 40%, Alan Schlesinger (R) 10%
Delaware	Tom Carper	Democratic	Tom Carper (D) 70%, Jan Ting (R) 29%
Florida	Bill Nelson	Democratic	Bill Nelson (D) 60%, Katherine Harris (R) 38%
Hawaii	Daniel Akaka	Democratic	Daniel Akaka (D) 61%, Cynthia Thielen (R) 37%
Indiana	Richard Lugar	Republican	Richard Lugar (R) 87%, Steve Osborn (Libertarian) 13%
Maine	Olympia Snowe	Republican	Olympia Snowe (R) 74%, Jean Hay Bright (D) 21%, Bill Slavick (I) 5%
Maryland	Ben Cardin	Democratic	Ben Cardin (D) 54%, Michael Steele (R) 44%
Massachusetts	Scott Brown	Republican	Ted Kennedy (D) 69%, Kenneth Chase (R) 31%
Michigan	Debbie Stabenow	Democratic	Debbie Stabenow (D) 57%, Mike Bouchard (R) 41%
Minnesota	Amy Klobuchar	Democratic	Amy Klobuchar (DFL) 58%, Mark Kennedy (R) 38%
Mississippi	Roger Wicker	Republican	Trent Lott (R) 64%, Erik Fleming (D) 35%
Missouri	Claire McCaskill	Democratic	Jim Talent (R) 47%, Claire McCaskill (D) 50%
Montana	Jon Tester	Democratic	Conrad Burns (R) 48%, Jon Tester (D) 49%
Nebraska	Ben Nelson	Democratic	Ben Nelson (D) 64%, Pete Ricketts (R) 36%

Senators Up For Re-Election in 2012 (continued)



State	Incumbent	Party	2006 Election Results
Nevada	John Ensign	Republican	John Ensign (R) 55%, Jack Carter (D) 41%
New Jersey	Bob Menendez	Democratic	Bob Menendez (D) 53%, Thomas Kean Jr. (R) 45%
New Mexico	Jeff Bingaman	Democratic	Jeff Bingaman (D) 71%, Allen McCulloch (R) 29%
New York	Kirsten Gillibrand	Democratic	Hillary Rodham Clinton (D) 67%, John Spencer (R) 31%
North Dakota	Kent Conrad	Democratic	Kent Conrad (D-NPL) 69%, Dwight Grotberg (R) 29%
Ohio	Sherrod Brown	Democratic	Mike DeWine (R) 44%, Sherrod Brown (D) 56%
Pennsylvania	Bob Casey, Jr.	Democratic	Rick Santorum (R) 41%, Bob Casey, Jr. (D) 59%
Rhode Island	Sheldon Whitehouse	Democratic	Lincoln Chafee (R) 47%, Sheldon Whitehouse (D) 53%
Tennessee	Bob Corker	Republican	Bob Corker (R) 51%, Harold Ford, Jr. (D) 48%
Texas	Kay Bailey Hutchison	Republican	Kay Bailey Hutchison (R) 62%, Barbara Ann Radnofsky (D) 36%
Utah	Orrin Hatch	Republican	Orrin Hatch (R) 62%, Pete Ashdown (D) 31%
Vermont	Bernie Sanders	Independent	Bernie Sanders (I) 65%, Richard Tarrant (R) 32%
Virginia	Jim Webb	Democratic	George Allen (R) 49%, Jim Webb (D) 50%
Washington	Maria Cantwell	Democratic	Maria Cantwell (D) 57%, Mike McGavick (R) 40%
West Virginia	Joe Manchin	Democratic	Robert Byrd (D) 64%, John Raese (R) 34%
Wisconsin	Herb Kohl	Democratic	Herb Kohl (D) 67%, Robert Lorge (R) 30%
Wyoming	John Barrasso	Republican	Craig Thomas (R) 70%, Dale Groutage (D) 30%