Democrats take the House and will gain powerful committee gavels.

Arizona’s open Senate seat went to the Democrats nearly a week after Election Day. Republicans lead in the final Senate races that have yet to be called, Florida and Mississippi.

Source: Bloomberg Government; as of 9 a.m. on Nov. 13
New House of Representatives

New Members of the House: 83
Democrats: 53
Republicans: 30
10 races uncalled

Source: Bloomberg Government; as of 9 a.m. on Nov. 13
- Arizona
  - AZ-2 Ann Kirkpatrick (D) defeated Leah Marquez Petersen (R) 54-46% 

- California
  - CA-10 Josh Harder (D) trails Rep. Jeff Denham (R) 51-49%, 100% reporting, 3363 vote difference
  - CA-25 Katie Hill (D) defeated Rep. Steve Knight (R) 52-48% 
  - CA-39 Gil Cisneros (D) trails Young Kim (R) 51-49%, 100% reporting, 2423 vote difference
  - CA-45 Katie Porter (D) trails Rep. Mimi Walters (R) 51-50%, 100% reporting, 2009 vote difference
  - CA-48 Harley Rouda (D) defeated Rep. Dana Rohrabacher (R) 52-48% 

- Colorado
  - CO-6 Jason Crow (D) defeated Rep. Mike Coffman (R) 54-43% 

- Florida
  - FL-26 Debbie Mucarsel-Powell (D) defeated Rep. Carlos Curbelo (R) 51-49% 
  - FL-27 Donna Shalala (D) defeated Maria Elvira Salazar (R) 52-46% 

- Georgia
  - GA-6 Lucy McBath (D) defeated Rep. Karen Handel (R) 51-50% 
  - GA-7 Carolyn Bourdreaux (D) defeated Rep. Rob Woodall (R) 50-50%, 901 vote difference

- Illinois
  - IL-6 Sean Casten (D) defeated Rep. Peter Roskam (R) 53-47% 
  - IL-12 Brendan Kelly (D) lost to Rep. Mike Bost (R) 52-45% 
  - IL-13 Betsy Dirksen Londrigan (D) lost to Rep. Rodney Davis (R) 51-50% 
  - IL-14 Lauren Underwood (D) defeated Rep. Randy Hultgren (R) 52-48% 

- Iowa
  - IA-1 Abby Finkenauer (D) defeated Rep. Rod Blum (R) 51-46% 
  - IA-3 Cindy Axne (D) defeated Rep. David Young (R) 49-48% 

- Kansas
  - KS-2 Paul Davis (D) lost to Steve Watkins (R) 48-46% 
  - KS-3 Sharice Davids (D) defeated Rep. Kevin Yoder (R) 53-44% 

- Kentucky
  - KY-6 Amy McGrath (D) defeated Rep. Andy Barr (R) 51-48%
Maine
- ME-2 Jared Golden (D) trails Rep. Bruce Poliquin (R) 46-46% 95% reporting, 1910 vote difference

Michigan
- MI-8 Elissa Slotkin (D) defeated Rep. Mike Bishop (R) 51-47% R → D
- MI-11 Hailey Stevens (D) defeated Lena Epstein (R) 52-45% R → D

Minnesota
- MN-1 Dan Feehan (D) lost to Jim Hagedorn (R) 50-50% D → R
- MN-2 Angie Craig (D) defeated Rep. Jason Lewis (R) 53-47% R → D
- MN-3 Dean Phillips (D) defeated Rep. Erik Paulsen (R) 56-44% R → D
- MN-8 Joe Radinovich (D) lost to Pete Stauber (R) 51-45% D → R

Nebraska
- NE-2 Kara Eastman (D) lost to Rep. Don Bacon (R) 52-48%

Nevada
- NV-3 Susie Lee (D) defeated Danny Tarkanian (R) 52-43%
- NV-4 Steven Horsford (D) defeated Crescent Hardy (R) 52-44%

New Jersey
- NJ-3 Andy Kim (D) leads Rep. Tom MacArthur (R) 50-49%, 100% reporting, 3424 vote difference
- NJ-7 Tom Malinowski (D) defeated Rep. Leonard Lance (R) 52-47% R → D
- NJ-11 Mikie Sherrill (D) defeated Jay Webber (R) 56-43% R → D

New Mexico
- NM-2 Xochitl Torres Small (D) defeated Yvette Harrell (R) 51-49% R → D

New York
- NY-1 Perry Gershon (D) lost to Rep. Lee Zeldin (R) 53-46%
- NY-11 Max Rose (D) defeated Rep. Dan Donovan (R) 53-47% R → D
- NY-19 Antonio Delgado (D) defeated Rep. John Faso (R) 50-47% R → D
- NY-22 Anthony Brindisi (D) leads Rep. Claudia Tenney (R) 50-50%, 100% reporting, 1293 vote difference
- NY-24 Dana Balter (D) lost to Rep. John Katko (R) 53-47%
- NY-27 Nate McMurray (D) trails Rep. Chris Collins (R) 50-49%, 100% reporting, 2910 vote difference

North Carolina
- NC-2 Linda Coleman (D) lost to Rep. George Holding (R) 51-46%
- NC-9 Dan McCready (D) lost to Mark Harris (R) 49-49%
- NC-13 Kathy Manning (D) lost to Rep. Ted Budd (R) 52-46%
Ohio
- OH-1 Aftab Pureval (D) lost to Rep. Steve Chabot (R) 52-46%
- OH-12 Danny O'Connor (D) lost to Rep. Troy Balderson (R) 52-47%

Pennsylvania
- PA-1 Scott Wallace (D) lost to Rep. Brian Fitzpatrick (R) 51-49% D→R
- PA-7 Susan Wild (D) defeated Marty Nothstein (R) 53-44% R→D
- PA-8 Rep. Matt Cartwright (D) defeated John Chrin (R) 55-45% R→D
- PA-10 George Scott (D) lost to Rep. Scott Perry (R) 51-49%
- PA-16 Ron DiNicola (D) lost to Rep. Mike Kelly (R) 52-47%
- PA-17 Rep. Conor Lamb (D) defeated Rep. Keith Rothfus (R) 56-44% R→D

South Carolina
- SC-1 Joe Cunningham (D) defeated Katie Arrington (R) 51-49% R→D

Texas
- TX-7 Lizzie Fletcher (D) defeated Rep. John Culberson (R) 53-48% R→D
- TX-23 Gina Ortiz Jones (D) trails Rep. Will Hurd (R) 49-49%, 100% reporting, 1150 vote difference
- TX-32 Colin Allred (D) defeated Rep. Pete Sessions (R) 52-46% R→D

Virginia
- VA-2 Elaine Luria (D) defeated Rep. Scott Taylor (R) 51-49% R→D
- VA-5 Leslie Cockburn (D) lost to Denver Riggleman (R) 53-47%
- VA-7 Abigail Spanberger (D) defeated Rep. Dave Brat (R) 50-49% R→D
- VA-10 Jennifer Wexton (D) defeated Rep. Barbara Comstock (R) 56-44% R→D

Washington
- WA-3 Carolyn Long (D) lost to Rep. Jamie Herrera-Beutler (R) 53-47%, 96% reporting
- WA-5 Lisa Brown (D) lost to Rep. Cathy McMorris-Rodgers (R) 55-45%, 80% reporting
- WA-8 Kim Schrier (D) defeated Dino Rossi (R) 53-47% R→D

West Virginia
- WV-3 Richard Ojeda (D) lost to Carol Miller (R) 56-44%

Wisconsin
- WI-1 Randy Bryce (D) lost to Bryan Steil (R) 55-42%

Utah
- UT-4 Ben McAdams (D) leads Rep. Mia Love (R) 51-49%, 79% reporting, 4914 vote difference
Key Senate Races

- **Arizona** – Rep. Kyrsten Sinema (D) defeated Rep. Martha McSally (R) 50-48%
  
- **Florida** – Sen. Bill Nelson (D) vs. Governor Rick Scott (R) – **Recount**
  - With 100% of precincts reporting, Nelson is trailing Scott by 12,536 votes out of a total 8.2 million ballots cast, a less than ½ percentage point difference. Florida state law requires a recount when candidates are within one half point.
  
- **Indiana** – Sen. Joe Donnelly (D) lost to Mike Braun (R) 51-45%
  
- **Missouri** – Sen. Claire McCaskill (D) lost to Josh Hawley (R) 52-46%
  
- **Montana** – **Sen. John Tester (D)** defeated Matt Rosendale (R) 50-47%
  
- **Nevada** – Rep. Jacky Rosen (D) defeated Sen. Dean Heller (R) 50-45%
  
- **North Dakota** – Sen. Heidi Heitkamp (D) lost to Rep. Kevin Cramer (R) 55-45%
  
- **Ohio** – **Sen. Sherrod Brown (D)** defeated Rep. Jim Renacci (R) 53-47%
  
- **Pennsylvania** – **Sen. Bob Casey (D)** defeated Rep. Lou Barletta (R) 56-43%
  
- **Tennessee** – Gov. Phil Bredesen (D) lost to Rep. Marsha Blackburn (R) 55-44%
  
- **Texas** – **Sen. Ted Cruz (R)** defeated Rep. Beto O’Rourke (D) 51-48%
  
- **West Virginia** – **Sen. Joe Manchin (D)** defeated Attorney General Patrick Morrisey (R) 50-46%
  
- **Wisconsin** – **Sen. Tammy Baldwin (D)** defeated State Sen. Leah Vukmir (R) 56-45%

Winners in **BOLD**

Results from Bloomberg
New Senators: 7
Republicans: 5
Democrats: 2

Florida will recount
Mississippi headed to runoff

Source: Bloomberg Government; as of 9 a.m. on Nov. 13
Oversight into the Administration:

- House Oversight and Government Reform Committee
  - Oversight Democrats have submitted more than 50 subpoena requests, on topics including:
    - The DOJ’s refusal to defend Obamacare in court
    - The administration’s use of private flights
    - Trump’s travel ban
    - The Census’s citizenship question
    - Jared Kushner’s security clearance
    - The use of private emails in the White House
  - Ranking Member Elijah Cummings (D-MD) has called for oversight into Justice Brett Kavanaugh.

- House Financial Services Committee
  - Ranking Member Maxine Waters (D-CA) has called for the use of oversight power over Trump’s tax returns, Treasury Secretary Steve Mnuchin, and HUD Secretary Ben Carson.

- House Natural Resources Committee
  - Ranking Member Raúl Grijalva (D-AZ) has called for oversight into Interior Secretary Ryan Zinke.

- House Homeland Security Committee
  - Ranking Member Bennie Thompson (D-MS) has called for oversight into election security, the administration’s response to Hurricane Maria, and TSA screening methods.

- House Transportation and Infrastructure Committee
  - Ranking Member Peter DeFazio (D-OR) has called for oversight into The Trump Organization’s lease with the GSA for its D.C. hotel.

- House Energy and Commerce Committee
  - Democrats plan to save or expand protections under the Affordable Care Act, including stabilizing health insurance markets and insuring chronically ill people.
  - There is potential for bipartisanship if Democrats try to strike deals with the administration to reduce prescription drug prices.
  - Ranking Member Frank Pallone (D-NJ) announced his bid for the committee on Wednesday by calling for the preservation of net neutrality while also promising vigorous oversight of the Trump administration.

Oversight into Industry:

- In lieu of the ability to pass legislation, Democrats will likely use oversight to investigate industries, including big banks, tech giants, and drug manufacturers.

- When Congress conducts oversight, it does not recognize attorney-client privilege, work product protections, implications on trade secrets, or privacy rights – a threat to industry.
The Lame Duck Session

Unfinished Business
- Appropriations
  - Passed into law:
    - Energy & Water
    - Legislative Branch
    - Military Construction-VA
    - Labor-HHS-Education
    - Defense
  - Awaiting completion under Continuing Resolution (Expires Dec. 7):
    - Commerce, Justice, Science
    - Homeland Security
    - State-Foreign Operations
    - Interior-Environment
    - Financial Services
    - Agriculture-FDA
    - Transportation-HUD

- Farm Bill – expired September 30, 2018
- National Flood Insurance Program – expires November 30, 2018
- Deferred Action for Childhood Arrivals (DACA)/Immigration
- Violence Against Women Act (VAWA) – expires December 7
- Border Wall Funding
- 154 agency appointments and judicial nominees awaiting Senate confirmation
- Extenders/tax bill technical corrections

Important Dates
- **Nov 13**: House and Senate return
- **Nov 19-26**: Thanksgiving
- **Dec. 7**: Current continuing resolution expires
- **December 13**: Target adjournment for the House
- **December 14**: Target adjournment for the Senate
2019 Legislative Priorities & Important Dates

**Priorities**
- Potential Infrastructure Package
- Immigration Reform
- Data Privacy
- USMCA – new NAFTA
- Ethics Reform
- Gun Control
- ACA Protections

**Important Dates**
- **Jan. 2019:** 116th Congress convenes – calendars expected to be released around Thanksgiving
- **March 1, 2019:** Debt limit Suspension Ends
- **April 15, 2019:** Congress is supposed to adopt a budget resolution by April 15 that presents a unified view of priorities for both the House and the Senate; there's no punishment for missing the deadline, which is often unmet
- **Sept. 30, 2019:** Last day of the fiscal year; all 12 appropriations bills for FY2020 are supposed to be signed by then
Governor Race Results

- **Arizona**: Gov. Doug Ducey (R) defeated Gary Garcia (D) 57-41%

- **Florida**: Rep. Ron DeSantis (R) leads Tallahassee Mayor Andrew Gillum (D) 50-49%
  - Race was called on Election Day but has now gone to recount after Gillum withdrew his concession. With 100% of precincts reporting, DeSantis leads by just 33,684 votes

- **Georgia**: Stacey Abrams (D) trails Brian Kemp
  - Race remains uncalled. With 100% of precincts reporting, Kemp leads Abrams 50-49%, a vote difference of 58,875

- **Nevada**: Steve Sisolak (D) defeated Adam Laxalt (R) 49-45%  

- **Ohio**: Atty. Gen. Mike DeWine (R) defeated Richard Cordray (D) 51-46%

- **Wisconsin**: Tony Evers (D) defeated Gov. Scott Walker (R) 50-48%  

Source: Bloomberg Government; as of 10 a.m. on Nov. 11
Shifts in State Legislatures

- In New Hampshire, both the House and Senate flipped from Republican to Democratic control, ending the Republican state government trifecta.

- In New York, the Senate flipped from Republican to Democratic control, giving Democrats a state government trifecta.

- In Colorado, Democrats took control of the Senate, shifting the state from divided power to a Democratic trifecta.

- In Connecticut, Democrats won the majority in the Senate, which had previously been evenly split.

- In Maine, Democrats took the Senate, assuming trifecta control.

- Republicans took control of the Alaska House, assuming trifecta control.

- In Minnesota, Democrats took control of the House, but the Senate remained in Republican control, leaving the state government divided.
Transportation & Infrastructure
Transportation & Infrastructure

Germane Committees New Leadership

**US Senate**

- Commerce, Science and Transportation Committee – Chairman Roger Wicker and Ranking Member Bill Nelson, if he is not re-elected, Maria Cantwell (if she leaves Senate Energy and Natural Resources) or Amy Klobuchar
- Environment and Public Works – Chairman John Barrasso and Ranking Member Tom Carper
- Banking Committee – Chairman Mike Crapo and Ranking Member Sherrod Brown
- Appropriations THUD – Chairman Susan Collins and Ranking Member Jack Reed
- Finance – Chairman Charles Grassley (new) and Ranking Member Ron Wyden

**US House of Representatives**

- Transportation and Infrastructure Committee – Chairman Peter DeFazio and Ranking Member Sam Graves or Jeff Denham
- Appropriations THUD - Chairman David Price and Ranking Member Mario Diaz Balart (possibly)
- House Ways and Means – Chairman Richard Neal and Ranking Member Kevin Brady
116th Congress Priority Policy Issues

- Amtrak
- Safety Oversight
- Surface Transportation Reauthorization
- Highway Trust Fund
- Infrastructure Package
- Roads
- Highways
- Bridges
- Railroads
- Airports
- Broadband

- Energy
- Water
- Regional Funding Equity
- Air Traffic Control Operations
- Maritime Issues
- Autonomous Vehicle Legislation
- Positive Train Control
- Nominations
- Drone regulation
- TSA Oversight
- Buy America
Healthcare & Pharmaceuticals
Election Impact on Health Policy/Issues to Watch:

- Big committee changes regardless of election outcome due to retirements and committee members running for other political office
- Affordable Care Act (ACA) reform (continued issuance of regulations)
- "Medicare for All"
- Continued flexibility granted to states to reform Medicaid
- Continued focus on drug pricing
- Increased oversight, e.g., tax-exempt hospitals
- Attempts to advance another opioid package
- Spending reform with possible cuts to Medicare
- Programs that expire in 2019, e.g., DSH (serving as legislative vehicles)
Election Impact—Pharmaceuticals/Biotech

- Key Committee Leadership/Membership Changes in Congress
- Drug Pricing Issues a Priority
  - Medicare Part D and Part B proposals
  - Price transparency
  - “Price Gouging” agency
  - Promoting Value-Based reimbursement
  - Supporting generic drugs
- Expect HHS Proposals on Key Issues (IPI, AKS, etc.)
- FDA
  - Cosmetics Legislation
  - Lab-developed tests
  - Medical devices
- Cannabis
Energy & Environment
Key Players:

- Senate Finance – Chairman Hatch retiring; Does Grassley ascend?
- Administration – Will Secretary Zinke step down? Will Acting Administrator Wheeler be nominated and confirmed?
Priority Issues:

- New House Democratic Majority
  - Increased oversight
  - Playing it safe on climate?

- Administration Focus
  - Finalizing new rules as quickly as possible including CAFE, WOTUS, ACE Rule
  - Continue themes of deregulation and energy dominance
Trade & Tariffs
Key Issues:

• NAFTA 2.0 (aka, “USMCA”)
• Section 232 –Steel and Aluminum
• Section 301 –China IP Issues and Beyond
• Potential Auto-tariffs
Thank You

Holland & Knight