

The View from Washington

2024 Policy and Political Outlook

February 27, 2024

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2024 Policy Outlook

2024 Outlook: Biden Administration Agenda

- Pursuing legislative priorities, where possible
 - Prospects complicated by divided government, election year politics
 - Continued use of bully pulpit on key priorities
 - ♦ e.g., National security supplemental, reining in Big Tech, climate / Environmental Justice
 - Coordination with Senate Democrats on Judicial confirmations
- Defending and promoting legislative achievements, getting money out the door
 - ♦ Bipartisan Infrastructure Law, Inflation Reduction Act, Chips and Science Act
- Finalizing agency rulemakings
 - ♦ Beating Congressional Review Act (CRA) window (May / June)
 - ♦ CRA resolutions can be vetoed, so tool only available if President Biden is not re-elected

2024 Outlook: Complicating Factors

- The Economy

- Stock market soaring and unemployment persistently low
- Inflation moderating, but still lingering uncertainty
- Americans still think prices, mortgage rates are too high

- International Affairs

- Southern border / migrant crisis (and related domestic concerns)
- Israel / Gaza war, Middle East
- Russia / Ukraine crisis
- China military, trade and economic challenges
- North Korea

- Dealing with Distractions (e.g., impeachment, Hunter Biden probe)

- Congressional Politics

- Narrow majorities
- Elections looming / shortened legislative calendar

2024 Outlook: Congressional Dynamics

- Senate

- Senate Democrats have a one seat cushion and face a challenging map in November
- Particularly given slim margins, both parties navigating intraparty challenges
- Need for 60 votes on most legislation requires more bipartisanship – and that is time-consuming

- House

- New leadership following 2023 Speaker drama
- Fractured GOP Caucus
- GOP majority has fluctuated due to vacancies, but consistently less than a handful of votes
 - ♦ Right now, Republicans can only lose TWO votes and still prevail
- Floor dynamics
 - ♦ Repeated failed votes on the floor, other bills pulled entirely
 - ♦ Use of suspension calendar
 - Expedited process: bypass Rules Committee, no floor amendments, needs 2/3 support (i.e., needs Democratic votes)

2024 Congressional Agenda

- While election years make legislating more difficult, there is still time – and motivation – to move key priorities, if bipartisan consensus can be reached
 - Whatever doesn't get done before November could be on the post-election lame duck agenda ... or may be punted to 2025

Must Do

FY24 Government Funding

- Will they meet fast approaching dual deadlines (3/1 and 3/8)?

FY25 Government Funding

- FY25 begins October 1
- CR likely until Lame Duck

FY25 National Defense Authorization Act

- Passed on time for 63 years in a row

Farm Bill

- Current extension expires September 30; time for a full 5- year bill?

Confirmations

- Senate Dems will continue to push through Judicial / Executive Branch noms

Might Do

National Security Supplemental (Ukraine, Israel, Taiwan)

- Senate bill passed 70-29
- Speaker Johnson (R-LA) so far opposed

Bipartisan Tax Bill

- House bill passed 357-70
- Senate Finance GOP wants a say

Trade Package

- Growing momentum

Big Tech

- Regulating AI, privacy, kids online safety

Health Care Bills

- Pandemic preparedness and substance use laws both await reauthorizations

2024 Congressional Agenda

Both Chambers in Session
Senate Only in Session
House Only in Session

The next few days alone present myriad challenges...

Monday	Tuesday	Wednesday	Thursday	Friday
2/26	2/27	2/28	2/29	3/1
Senate Returns → Sec. <u>Mayorkas</u> Impeachment Trial?		House Returns		FY24 CR (1 st tranche) expires at midnight
3/4	3/5	3/6	3/7	3/8
	SUPER TUESDAY		State of the Union	FY24 CR (2 nd tranche) expires at midnight

- FY24 funding options
 - Series of smaller bipartisan packages (the “minibus” approach)
 - Short-term “Continuing Resolution” (CR) to buy additional time
 - Full year CR (requires 1% across the board cut)
 - Partial / full government shutdown
- And lawmakers must soon turn to FY25

2024 Congressional Agenda: China and Trade

- Confronting the China challenge – including on trade – is one area of potential bipartisan cooperation ahead of the election
 - The Biden Administration is widely expected to soon finalize its statutorily-required review of the Section 301 China tariffs – with major changes to the program unlikely
 - Both parties ... and both Presidential candidates ... are loathe to appear “soft” on China
 - ◆ Particularly with many manufacturing / industrial states key to the November elections
 - Pressure could further increase should China’s softening economy result in additional state-driven unfair trade practices (e.g., dumping, subsidies)
 - But is legislative action possible this year, or should we just expect more election year rhetoric?



2024 Congressional Agenda: China and Trade

- A possible roadmap?
 - Following numerous hearings, House Select Committee on the CCP released its bipartisan economic policy [report](#) in December
 - The report included approximately 150 trade and economic policy recommendations
 - ◆ Support includes some trade enforcement measures: Leveling the Playing Field 2.0 (but not Fighting Trade Cheats Act), *de minimis* reform
 - ◆ And while the report did not explicitly call for the revocation of China's Permanent Normal Trade Relations (PNTR), it did propose revising its normal trade status by applying a new set of tariffs on the state-led economy
 - The Trump Factor: Former President Trump / trade advisors have endorsed PNTR repeal
 - Standing committees – particularly Ways and Means – need to act on legislative recommendations
 - Chairman Gallagher (R-WI) is retiring and views this as a legacy priority

2024 Congressional Agenda: China and Trade

- Is there a vehicle for China / trade enforcement legislation?
 - There is growing momentum to address some expired trade programs and trade enforcement provisions *could* ride along
 - ♦ Generalized System of Preference (GSP) expired at the end of 2020
 - ♦ Trade Adjustment Assistance (TAA) largely lapsed in 2022
 - ♦ Miscellaneous Tariff Bill (MTB) also expired at the end of 2020, although there is less of an appetite for renewal
 - Gallagher-driven China-focused package
 - Annual defense authorization bill
 - Customs reauthorization (though 2025 is more likely)

Key Dates

March 1:	FY24 Continuing Resolution (Tranche 1) expires
March 5:	Super Tuesday
March 7:	State of the Union
March 8:	FY24 Continuing Resolution (Tranche 2) expires
March 13-15:	House Republican Issues Conference
April 19:	FISA / Section 702 expires
April 30:	Sequestration <u>if</u> no FY24 funding deal
July 15-18:	Republican National Convention
August 18-22:	Democratic National Convention
September 16:	First Presidential Debate (if there is one...)
September 30:	End of Fiscal Year 2024
September 27:	Target House and Senate adjournment ahead of Election Day
November 5:	Midterm Elections
November 12:	Lame Duck Begins

2024 Election Outlook

2024 Presidential Election: Déjà Vu All Over Again

- As things currently stand, the top of the November 2024 ballot will look just like the top of the November 2020 ballot
 - Former President Trump is the runaway favorite for the GOP nomination
 - By the end of March, more than 70% of GOP delegates will have been selected – not a lot of time for a momentum shift



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2024 Presidential Election

- Factors to consider

- The economy
 - ♦ Key indicators strong, but are Americans feeling it?
- The candidates
 - ♦ Two flawed candidates: “Biden’s acuity vs. Trump’s alleged criminality”
 - ♦ Net favorable underwater for both
- Third party spoilers
 - ♦ RFK Jr.
 - ♦ No Labels candidate?
- Geopolitical instability
- Early bellwethers (e.g., NY-13)



Other Wild Cards...
Election interference,
online misinformation,
legal developments

2024 Presidential Election

Biden vs. Trump

Trump has a 2.2% lead based on 558 polls.

Feb 15, 2024



Trump

43.9%

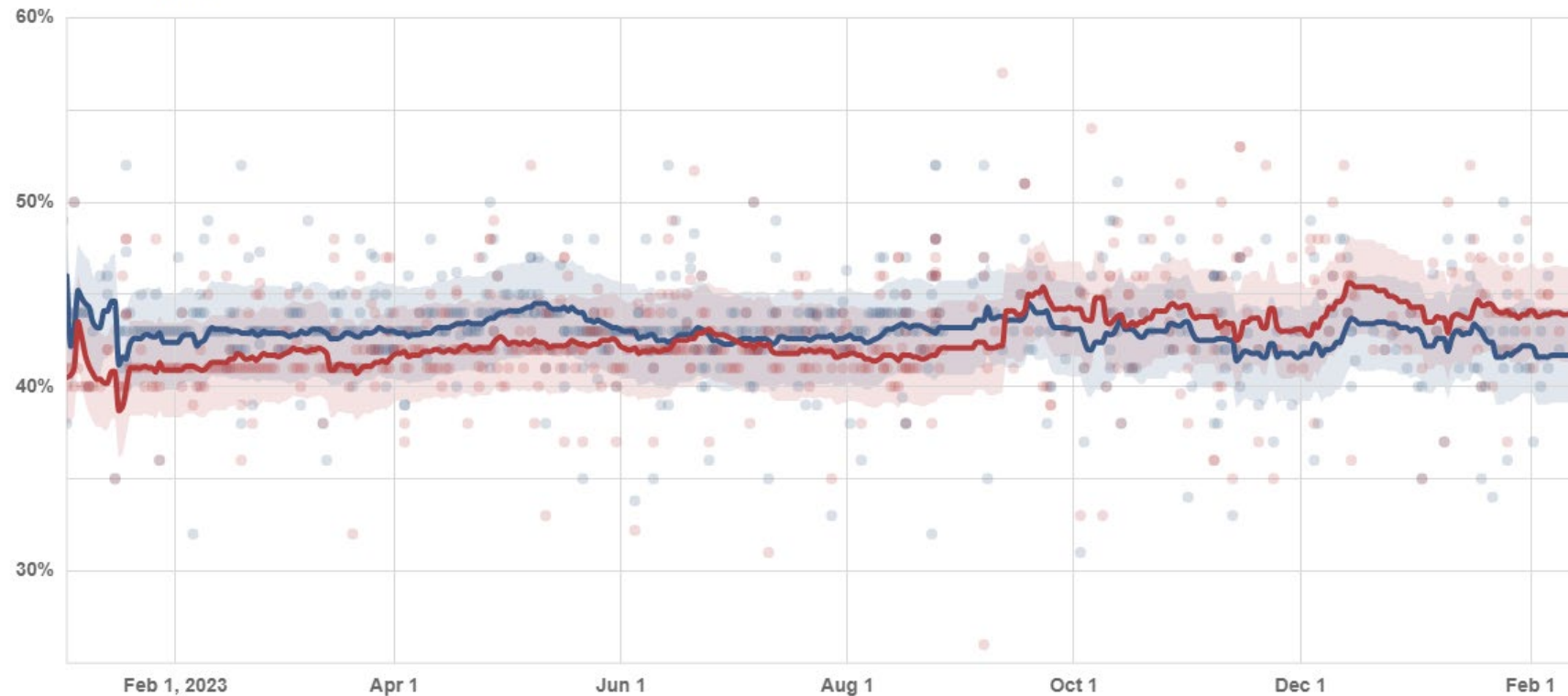


Biden

41.7%

Estimate — 95% of polls fall in this range

Chart Source: [The Hill](#) polling aggregation

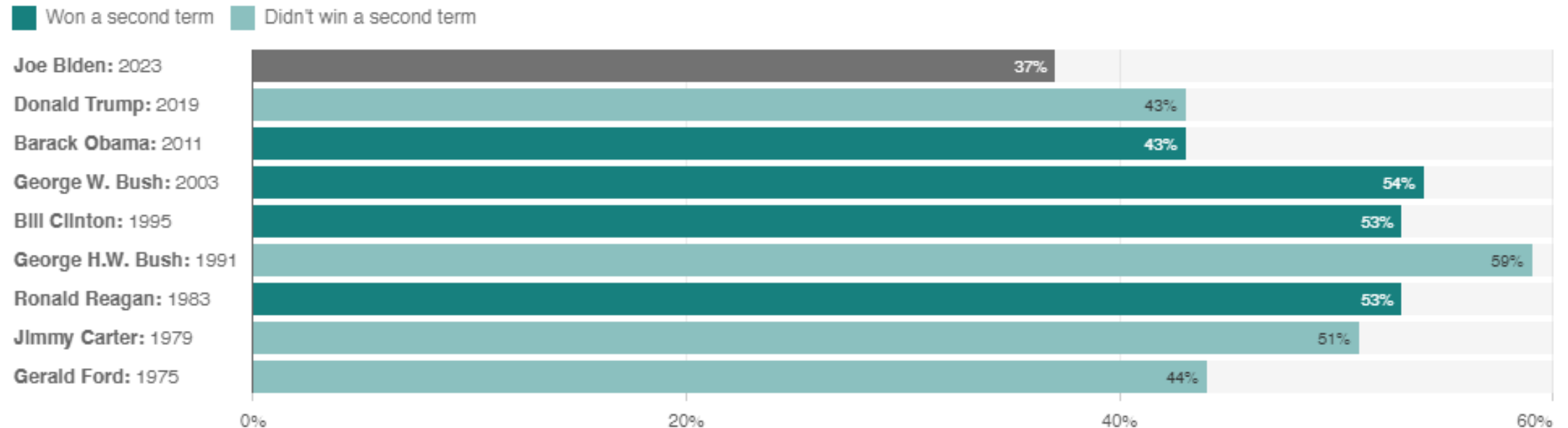


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2024 Presidential Election

- President Biden's approval rating one year before reelection is at a historic low

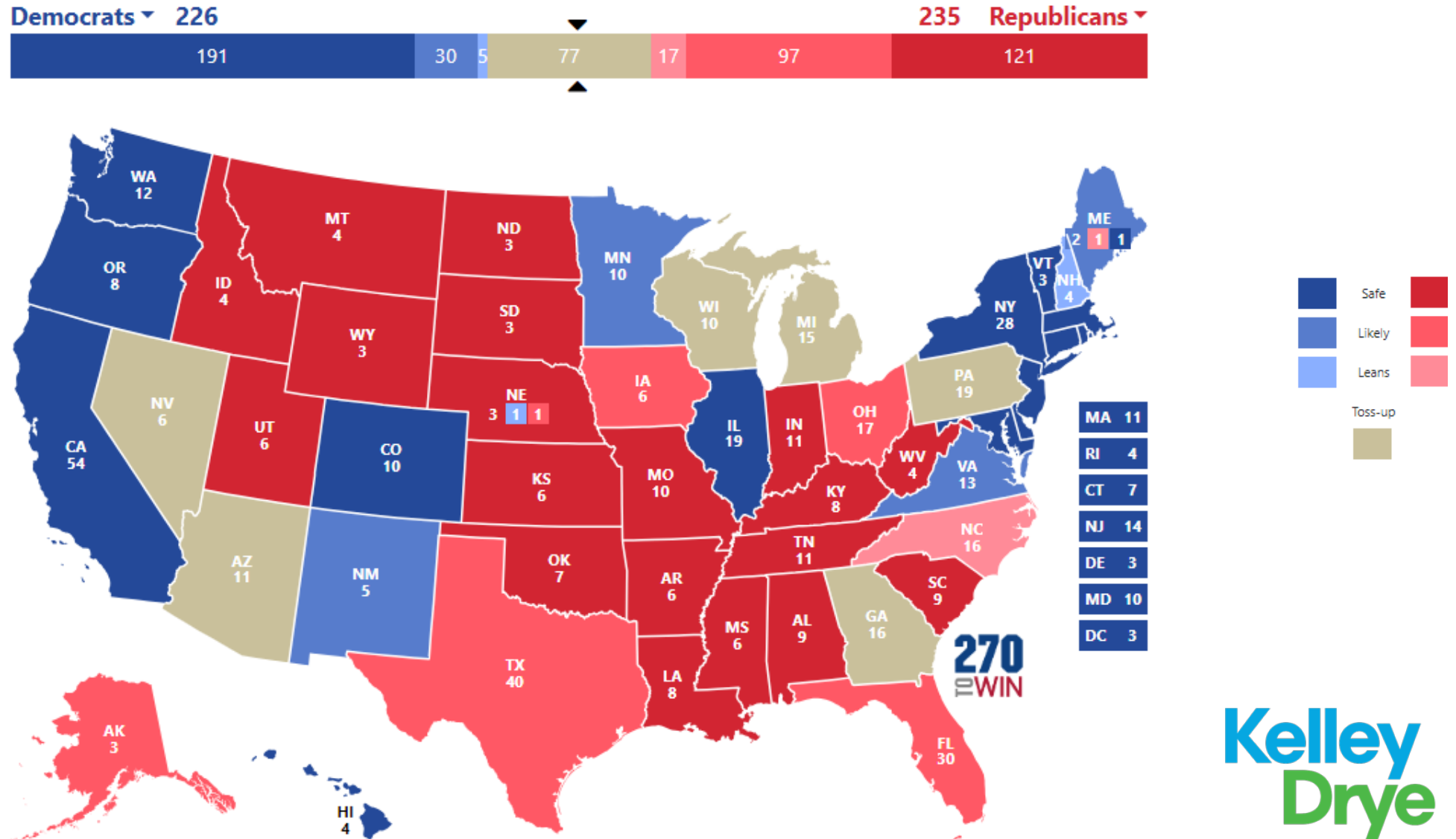
Highest approval rate reported in November, one year before potential reelection year



Source: Gallup

Credit: Connie Hanzhang Jin and Jeongyoon Han/NPR

2024 Presidential Election: Battleground States



2024 Presidential Election: Battleground States

Latest 2024 polling averages from Real Clear Politics... and 2020 results

State	Biden	Trump	2020 Result
Arizona	42.5%	47.0%	Biden + 0.4
Georgia	41.5%	48.7%	Biden + 0.3
Michigan	41.7%	46.8%	Biden + 2.8
Pennsylvania	45.0%	44.7%	Biden + 1.2
Nevada	42.0%	49.0%	Biden + 2.4
Wisconsin	46.4%	47.0%	Biden + 0.6



2024 Election Preview: Issues to Watch

Who Do Voters Think Would Do a Better Job?

Issue	Biden	Trump
The Economy	31%	43%
Inflation	31%	41%
Immigration / Border	26%	44%
Crime	28%	41%
Abortion	37%	28%
Healthcare	38%	28%
Israel/Hamas War	27%	35%
Ukraine/Russia War	33%	36%

Chart Source: [ABC News / IPSOS \(Feb 9-10\)](#)

2024 Election Preview: Senate

Current Balance of Power

51 / **49**
Dem **GOP**
*includes 3
independents*

- 34 Senate seats up for election in 2024
 - **If Trump wins:** Republicans need to pick up **ONE seat to flip control** of the chamber
 - **If Biden wins:** Republicans need to pick up **TWO seats to flip control** of the chamber
- Democrats / allied Independents are defending 23 seats
 - 3 in states former President Trump won in 2020: Montana, Ohio, West Virginia
 - Another 4 are in states President Biden won by < 5 points: Arizona, Michigan, Nevada, Pennsylvania, Wisconsin
- Republicans are defending 11 seats, almost all “safe”

2024 Senate Races to Watch

Open Seats (Retirements)

State	Primary Date
California <i>Butler (D) retiring</i>	March 5
Delaware <i>Carper (D) retiring</i>	September 10
Indiana <i>Braun (R) running for Governor</i>	May 7
Maryland COMPETITIVE <i>Cardin (D) retiring</i>	May 14
Michigan COMPETITIVE <i>Stabenow (D) retiring</i>	August 6
Utah <i>Romney (R) retiring</i>	June 25
West Virginia LIKELY FLIP <i>Manchin (D) retiring</i>	May 14

Incumbents with Competitive Races

State	Incumbent
Arizona	Sinema (I) (if she runs)
Florida	Scott (R)
Montana	Tester (D)
Nevada	Rosen (D)
New Jersey	Menendez (D) (intra-party) <i>Primary is June 4</i>
Ohio	Brown (D)
Pennsylvania	Casey (D)
Texas	Cruz (R)
Wisconsin	Baldwin (D)



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2024 Election Preview: House

Current Balance of Power

219 / **213**
GOP **Dem**

3 Vacancies (2 GOP, 1 Dem)

- Democrats need to net **FOUR seats to flip control** of the chamber
 - This assumes parties hold current vacancies: CA-20 (McCarthy (R)); OH-06 (Johnson (R)); NY-26 (Higgins (D))
- Republicans' path to maintain the majority complicated by:
 - 17 districts Republicans won in 2022 voted for Biden in 2020 (vs. 5 Democrats running in Trump districts)
 - Map changes in a handful of states
 - Retirement wave: losing the advantage of incumbency (although few competitive seats)
- Notable retirements
 - On the GOP side, five key committee chairs are not seeking re-election
 - ♦ Approps (Granger (R-TX)); Energy and Commerce (McMorris Rodgers (R-WA)); Financial Services (McHenry (R-NC)); Homeland Security (Green (R-TN)); China Select (Gallagher (R-WI))

2024 Election Preview: House

44 Tossup or Lean Seats Identified by Cook Political Report






LIKELY DEMOCRAT 17 Dem • 1 Rep 0 Ind	LEAN DEMOCRAT 14 Dem • 0 Rep 0 Ind	DEMOCRAT TOSS UP 10 Dem • 0 Rep 0 Ind	REPUBLICAN TOSS UP 0 Dem • 12 Rep 0 Ind	LEAN REPUBLICAN 0 Dem • 8 Rep 0 Ind	LIKELY REPUBLICAN 0 Dem • 10 Rep 0 Ind
AL-02 New Seat	AK-AL Peltola	CO-08 Caraveo	AZ-01 Schweikert	CA-45 Steel	CA-03 Kiley
CA-09 Harder	CA-47 Open (Porter)	ME-02 Golden	AZ-06 Ciscomani	CO-03 Open (Boebert)	CA-40 Kim
CA-49 Levin	CT-05 Hayes	MI-07 Open (Slotkin)	CA-13 Duarte	IA-03 Nunn	FL-05 Rutherford
FL-09 Soto	IL-17 Sorensen	MI-08 Open (Kildee)	CA-22 Valadao	MI-10 James	FL-13 Luna
FL-23 Moskowitz	IN-01 Mrvan	NC-01 Davis	CA-27 Garcia	NE-02 Bacon	IA-01 Miller-Meeks
KS-03 Davids	NV-03 Lee	NM-02 Vasquez	CA-41 Calvert	PA-10 Perry	MT-01 Zinke
MD-06 Open (Trone)	NY-03 Suozzi	OH-13 Sykes	NJ-07 Kean Jr.	VA-02 Kiggans	NY-01 LaLota
MI-03 Scholten	NY-18 Ryan	PA-07 Wild	NY-04 D'Esposito	WI-03 Van Orden	PA-01 Fitzpatrick
MN-02 Craig	OH-01 Landsman	PA-08 Cartwright	NY-17 Lawler		SC-01 Mace
NH-01 Pappas	OH-09 Kaptur	WA-03 Perez	NY-19 Molinaro		TX-15 De La Cruz
NH-02 Kuster	OR-06 Salinas		NY-22 Williams		
NJ-03 Open (Kim)	PA-17 Deluzio		OR-05 Chavez-DeRemer		
NV-01 Titus	TX-34 Gonzalez				
NV-04 Horsford	VA-07 Open (Spanberger)				
OR-04 Hoyle					
TX-28 Cuellar					
VA-10 Open (Wexton)					
WA-08 Schrier					

Note: First-term members are *italicized*

Source: Cook Political Report with Amy Walter “[2024 House Race Ratings](#)” (Feb. 14)

2024 House Retirements













22 Republican retirements announced

HOUSE MEMBER	ANNOUNCED	REASON	2020 PRES. VOTE
 Mark Green Tenn. 7	Feb. 14, 2024	Retiring	+15 Trump
 Mike Gallagher Wis. 8	Feb. 10, 2024	Retiring	+16 Trump
 Matt Rosendale Mont. 2	Feb. 9, 2024	Running for Senate	+27 Trump
 Cathy McMorris Rodgers Wash. 5	Feb. 8, 2024	Retiring	+10 Trump
 Kelly Armstrong N.D.	Jan. 23, 2024	Running for Governor	+34 Trump
 Jeff Duncan S.C. 3	Jan. 17, 2024	Retiring	+38 Trump
 Greg Pence Ind. 6	Jan. 9, 2024	Retiring	+32 Trump
 Larry Bucshon Ind. 8	Jan. 8, 2024	Retiring	+33 Trump
 Doug Lamborn Colo. 5	Jan. 5, 2024	Retiring	+10 Trump
 Blaine Luetkemeyer Mo. 3	Jan. 4, 2024	Retiring	+26 Trump
 John Curtis Utah 3	Jan. 3, 2024	Running for Senate	+19 Trump
 Drew Ferguson Ga. 3	Dec. 14, 2023	Retiring	+30 Trump

 Patrick McHenry N.C. 10	Dec. 5, 2023	Retiring	+16 Trump
 Michael Burgess Texas 26	Nov. 13, 2023	Retiring	+19 Trump
 Brad Wenstrup Ohio 2	Nov. 9, 2023	Retiring	+45 Trump
 Ken Buck Colo. 4	Nov. 1, 2023	Retiring	+19 Trump
 Kay Granger Texas 12	Oct. 31, 2023	Retiring	+18 Trump
 Debbie Lesko Ariz. 8	Oct. 17, 2023	Retiring	+14 Trump
 Dan Bishop N.C. 8	Aug. 3, 2023	Running for state attorney general	+18 Trump
 Victoria Spartz Ind. 5	Feb. 3, 2023	Retiring	+16 Trump
 Jim Banks Ind. 3	Jan. 17, 2023	Running for Senate	+30 Trump
 Alex X. Mooney W.Va. 2	Nov. 15, 2022	Running for Senate	+37 Trump

2024 House Retirements

23 Democratic retirements announced

HOUSE MEMBER	ANNOUNCED	REASON	2020 PRES. VOTE
 Dutch Ruppersberger Md. 2	Jan. 26, 2024	Retiring	+21 Biden
 Wiley Nickel N.C. 13	Dec. 14, 2023	Running for Senate	+17 Trump
 Kathy Manning N.C. 6	Dec. 7, 2023	District redrawn	+16 Trump
 Dean Phillips Minn. 3	Nov. 24, 2023	Running for president	+21 Biden
 Tony Cárdenas Calif. 29	Nov. 20, 2023	Retiring	+51 Biden
 Anna Eshoo Calif. 16	Nov. 20, 2023	Retiring	+53 Biden
 Dan Kildee Mich. 8	Nov. 16, 2023	Retiring	+2 Biden
 Abigail Spanberger Va. 7	Nov. 13, 2023	Running for governor	+7 Biden
 Derek Kilmer Wash. 6	Nov. 9, 2023	Retiring	+17 Biden
 Earl Blumenauer Ore. 3	Oct. 30, 2023	Retiring	+47 Biden
 Jeff Jackson N.C. 14	Oct. 26, 2023	Running for state attorney general	+16 Trump
 John Sarbanes Md. 3	Oct. 26, 2023	Retiring	+26 Biden

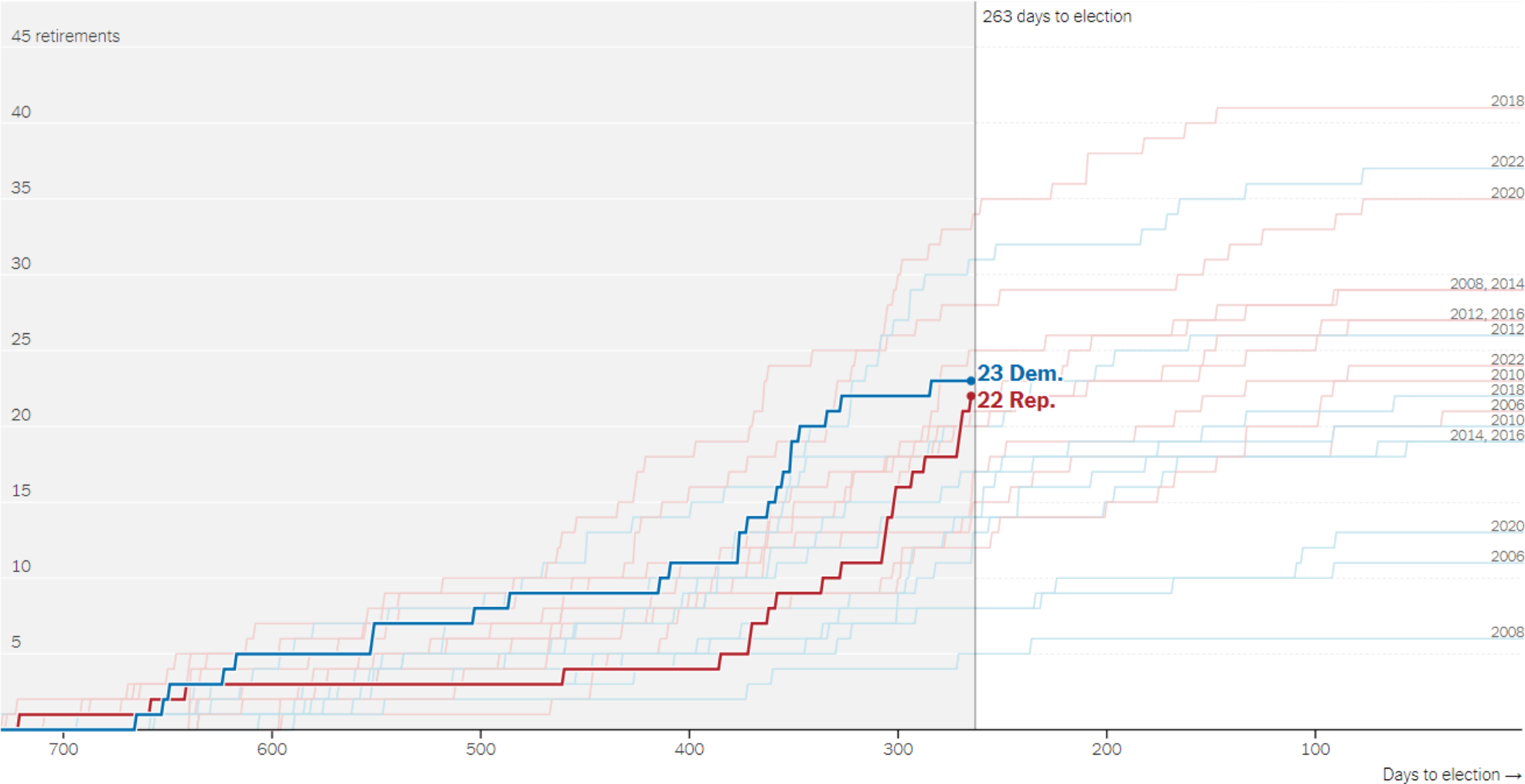
 Andy Kim N.J. 3	Sept. 23, 2023	Running for Senate	+14 Biden
 Jennifer Wexton Va. 10	Sept. 18, 2023	Retiring for health reasons	+18 Biden
 Grace Napolitano Calif. 31	July 8, 2023	Retiring	+31 Biden
 Lisa Blunt Rochester Del.	June 21, 2023	Running for Senate	+19 Biden
 David Trone Md. 6	May 4, 2023	Running for Senate	+10 Biden
 Colin Allred Texas 32	May 3, 2023	Running for Senate	+33 Biden
 Elissa Slotkin Mich. 7	Feb. 27, 2023	Running for Senate	+1 Biden
 Barbara Lee Calif. 12	Feb. 21, 2023	Running for Senate	+81 Biden
 Adam Schiff Calif. 30	Jan. 26, 2023	Running for Senate	+46 Biden
 Ruben Gallego Ariz. 3	Jan. 23, 2023	Running for Senate	+51 Biden
 Katie Porter Calif. 47	Jan. 10, 2023	Running for Senate	+11 Biden

 Races rated by Cook Political Report as competitive

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Pace of retirement announcements compared with past cycles

Through Feb. 14, 2024



Includes those who have announced that they are retiring and not running for re-election in November 2024. Seats that are expected to be filled before November 2024 are not counted. Retirements for past years are those that resulted in an open seat in the general election.



2024 House Redistricting

- While most states completed their post-Census redistricting ahead of the 2022 midterms, court battles have dragged out the process in a few states
 - New maps ahead of the November elections could shift the landscape
 - Effects could be meaningful given slim margins



North Carolina

GOP +3

(possibly 4)



Alabama

DEM +1



Louisiana

DEM +1



New York

DEM + ?

Changes to House maps in other states (e.g., GA), though less likely to affect current partisan breakdown

Engagement

Being Heard in Washington

- Engagement in an Election Year
 - Host plant tours
 - Meet with legislators and staff
 - ◆ Sign up for 2024 Government Affairs Conference and Hill visits!
 - Utilize your company's issue experts



Questions? Thank you!



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