



Federal Policy & Political Update

A Look at the 118th Congress, the Biden Regulatory Agenda,
and the 2024 Election



U.S. Chamber of Commerce

The State of American Business

U.S. Chamber's 2023 Agenda for American Strength

Business can't be the only thing that works / Government needs to work

Permit America to Build

Address our workforce crisis

Enhance America's role on the global stage

Boost the rule of law at home



2024 State of American Business

- Optimism
- Success of Free Enterprise
- Defend the Neoliberal Consensus



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Mitigating Growing Policy Risks for Business

Election trends have heightened risks for businesses

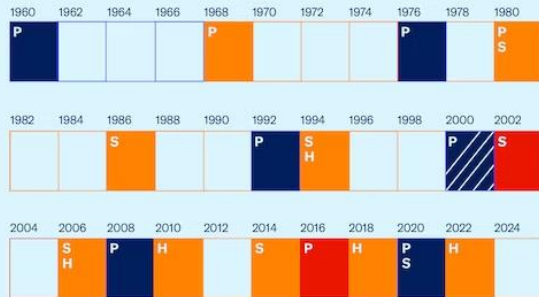
Frequent shifts in power has increased policy risk for companies



Changes in control of House, Senate and the White House 1920-2022

■ Unified Democratic ■ Unified Republican ■ Divided control
▨ Senate started 50/50 then changed to Democratic □ Status quo

P = Presidency S = Senate H = House

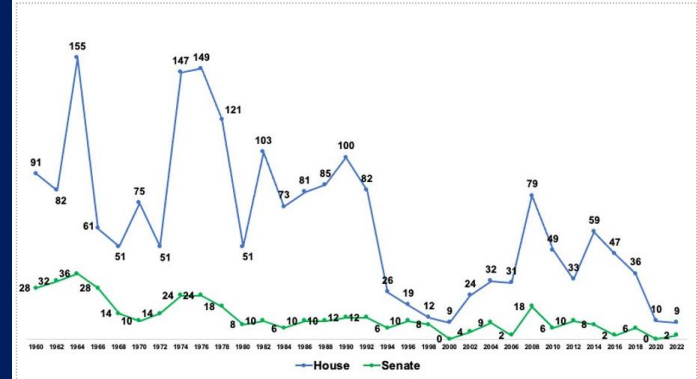


Source: U.S. Chamber of Commerce



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Party Advantages in the House and Senate 1960-2022



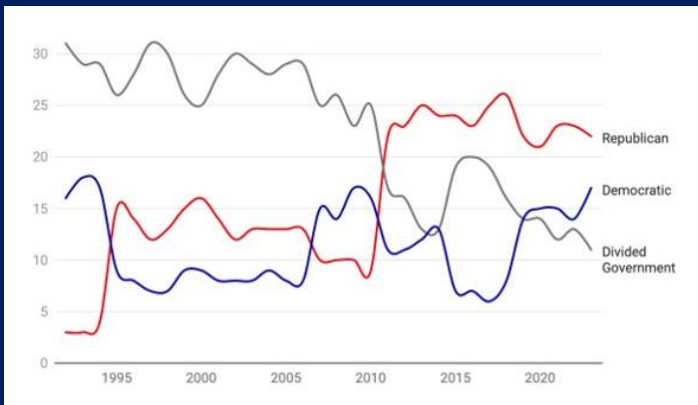
Change elections and narrow majorities underscore need for bipartisanship

- Building & strengthening key relationships
- U.S. Chamber Political Objectives:
 1. Grow number of pro-business, pro-governing members
 2. Defend pro-business members willing to work across the aisle

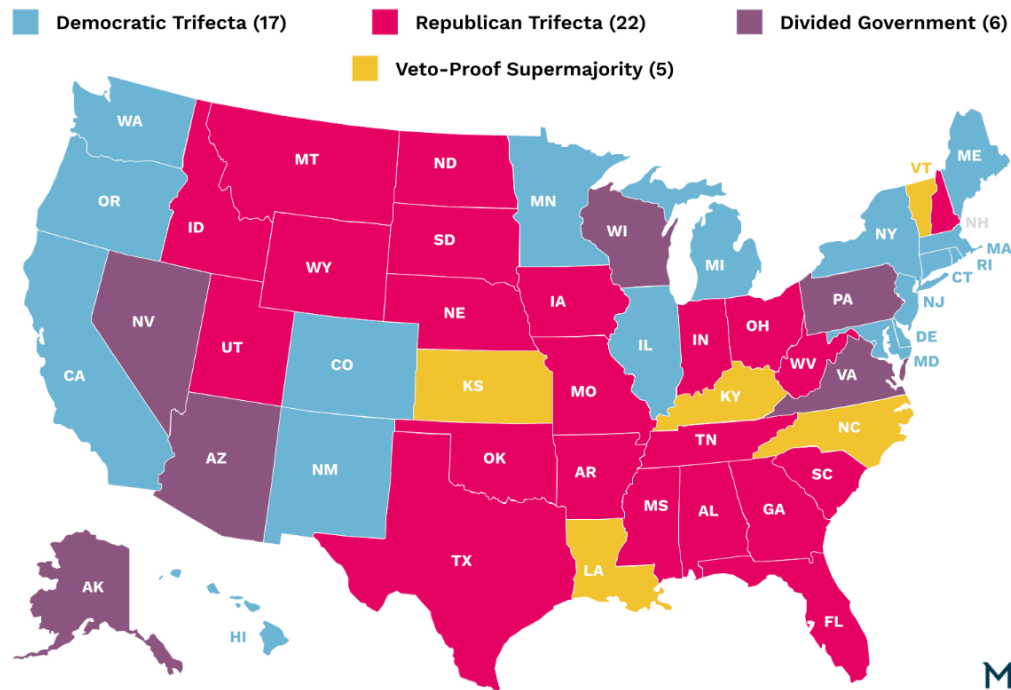
Partisan Control of State Governments

State governments becoming increasingly partisan

Number of states with D, R, divided government



2023 Trifectas + Supermajorities



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Defending the Neoliberal Consensus

The New Deal Consensus (1940-1980)

- Heavy handed government regulation
- Taxes: top personal/pass-through rate of 70%; corporate rate at 48%
- Trade: no bilateral trade agreements
- Anti-trust: essentially no horizontal mergers

The Neo-Liberal Consensus (1980-present)

- Deregulation of air travel, telecom, railroads, banking, etc.
- Taxes lowered
- Trade: over a dozen FTAs with 20 countries
- Anti-trust: Consumer welfare standard adopted
- “the era of big government is over”

Attacks mounting from the Left and Right

- Biden regulatory agenda
- Right’s embrace of populism and industrial policy



The Biden Regulatory Agenda

Through Aug 2023: 638 rules; \$403 billion in costs

July 2021 EO on *Promoting Competition in the American Economy*

Whole of Government Approach Promoting Unionization

- Federal Trade Commission
 - Abandonment of consumer welfare standard
 - Ban on non-competes; blocking of mergers & acquisitions; junk fees
- Department of Labor
 - Independent Contractors; Overtime Rule; OSHA Walk Around
- National Labor Relations Board
 - Cemex Decision (Joy Silk, Card Check); Joint Employment; Speech Restrictions
- Environmental Protection Agency
 - WOTUS; PFAS; Clean Power Plants; NAAQS
- Securities and Exchange Commission
 - Climate disclosure; stock buybacks



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Overview: The 118th Congress

Senate Leadership:

- Majority Leader Chuck Schumer
- Majority Whip Dick Durbin
- Minority Leader Mitch McConnell
- Minority Whip John Thune

House Leadership:

- Speaker Mike Johnson
- Majority Leader Steve Scalise
- Majority Whip Tom Emmer
- Conference Chair Elise Stefanik
- Minority Leader Hakeem Jeffries
- Minority Whip Katherine Clark
- Caucus Chair Pete Aguilar

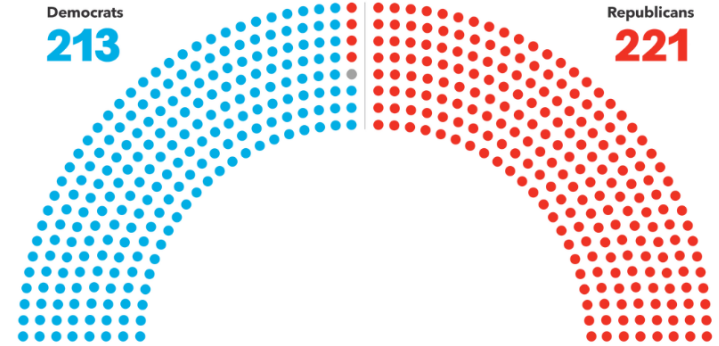
118th Congress Highlights:

- 82 freshmen (75 in House; 7 in Senate); 15% on Congress
- House GOP: 113 members since Jan 2019
 - 109 members with experience in the majority
 - 85 members with majority experience and Democrat president (38%)
- House GOP: HFC vs. moderates
- New Rules changes – Motion to Vacate
- Senate Center of Gravity: Gangs



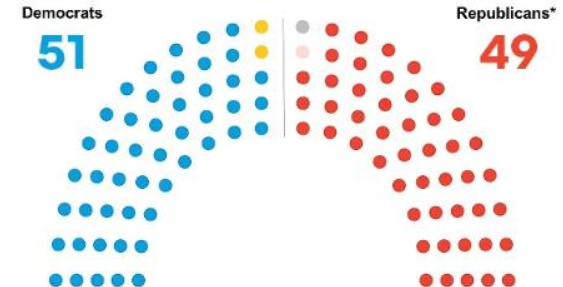
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House Balance of Power



Bloomberg Government

Senate Balance of Power for New Congress



Source: Associated Press calls of races.
Note: Light pink reflects Alaska race where one of two Republicans likely to win; yellow indicates independents who caucus with Democrats.

Bloomberg Government

118th Congress: 1st Session Recap

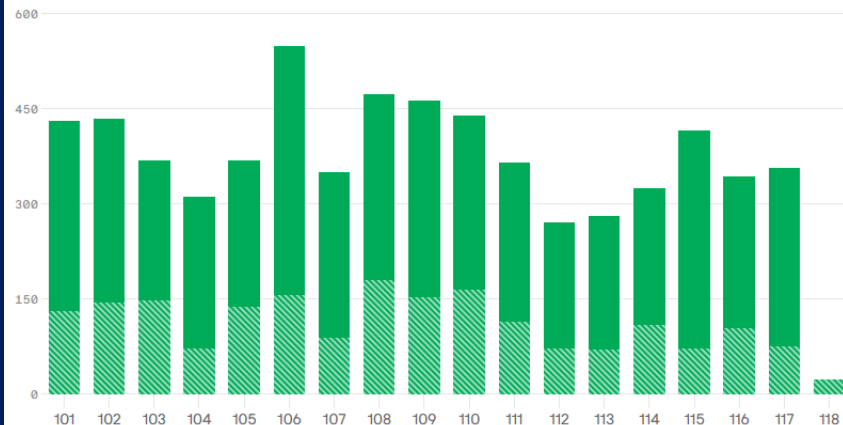
Major Accomplishments:

- Fiscal Responsibility Act
- Avoided Government Shutdown
- NDAA

Bills enacted, by congressional session

101st Congress (1989) to 118th Congress (2023); As of Dec. 18, 2023

Enacted in first year of two-year session



Data: Quorum; Chart: Simran Parwani / Axios

Just 20 bills signed into law in 2023
Least productive session in modern history



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118th Congress: 2nd Session Outlook

To-do List:

- Funding the Government/Appropriations – January 19, 2024 / February 2, 2024
- National Flood Insurance Program – Expires February 2, 2024
- Authorization of TANF & Related Programs – Expires February 2, 2024
- Pass all 12 Appropriations Bills / CR Penalty – May 1, 2024
- Farm Bill – Expires September 30, 2024
- Statutory PAYGO – December 2024/January 2025

Other Issues:

- Border Security / Asylum reform
- Foreign Policy: Ukraine, Israel, Taiwan, and more?
- Tax extenders / Sunset of TCJA provisions
- Permitting Reform
- Retail Crime Legislation
- AI regulation



Key U.S. Chamber Policy Priorities

Combat Rising Costs

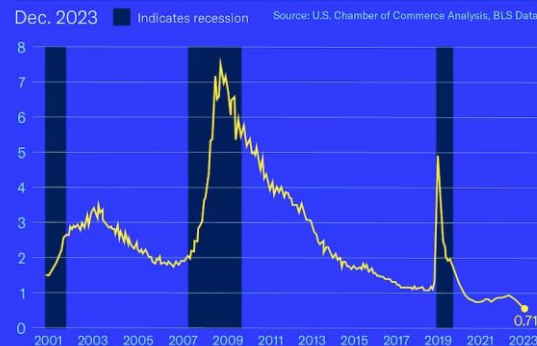
- Permitting reform
- Combat regulatory overreach
- Tax extenders and 2025 cliff

Address Workforce Shortage

Combat Organized Retail Crime

Worker Shortage Index

As of December 2023, there are 71 available workers for every 100 open jobs in the U.S.



Hawaii WAR: 0.58

Labor Force Participation: 60.2%

Avg. annual childcare cost: \$12K (10th)

Share of immigrant workers in HI: 21.4% (2021)

Impact of Retail Crime in Hawaii:

- Losses: \$993 million (2021)
- Lost Tax Revenue: \$86 million (2021)

56% of small retailers report theft in 2021

How much do you agree or disagree with the following?
(Percent strongly/somewhat agree)

My business has experienced shoplifting or theft in the past year	56%
My business experiences more shoplifting or theft during the holiday season(s) compared to the rest of the year	53%
My business has experienced more shoplifting or theft in the past year than in previous years	50%
My business has increased the prices of its products or services in the past year, as a result of shoplifting or theft	46%

Source: U.S. Chamber of Commerce



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2024 Federal Election Landscape



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2024 U.S. Senate Map

Overview: 34 Contests

- 7 open seats (CA, DC, MD, MI, IN, UT, WV)
- 20 Democratic seats
- 11 Republican seats
- 3 Independent seats

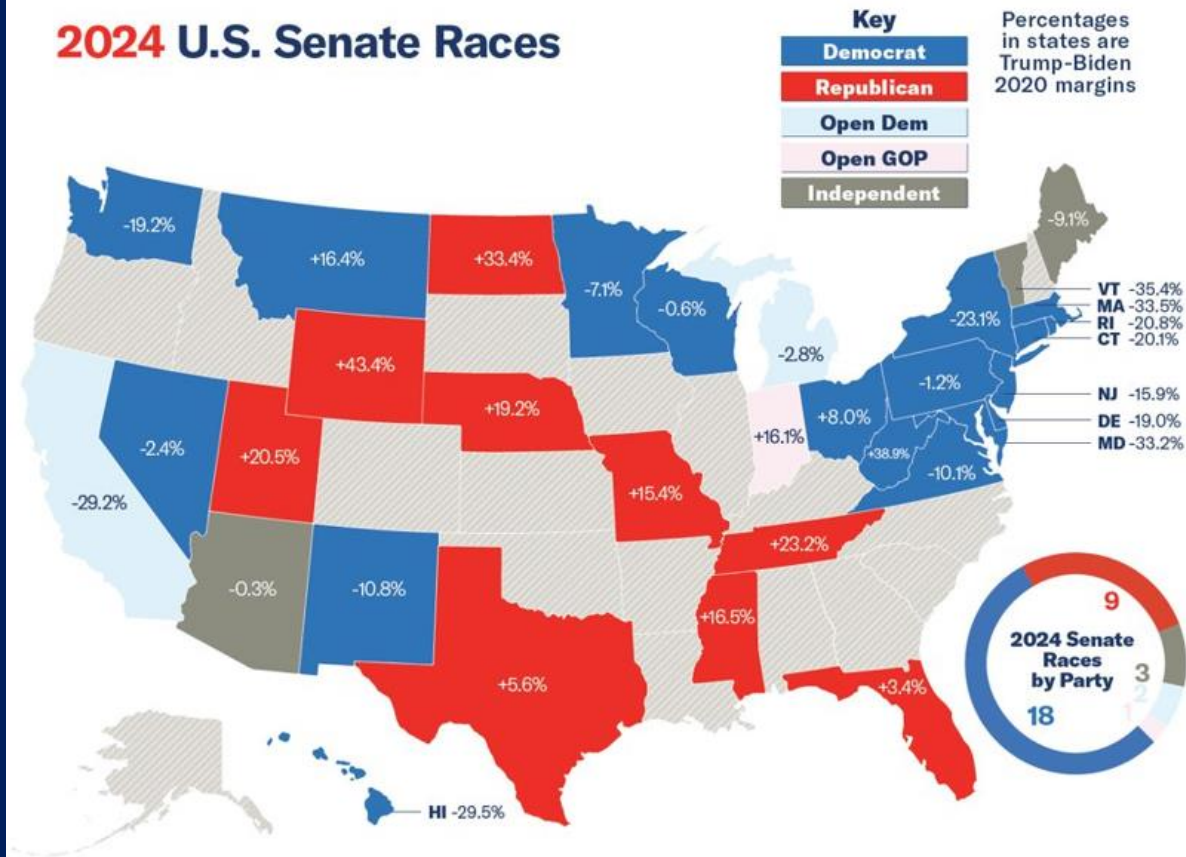
Cook Political 2024 Ratings

- Lean Democrat
 - Michigan (open)
 - Nevada (Rosen, D)
 - Pennsylvania (Casey, D)
 - Wisconsin (Baldwin, D)
- Toss-up
 - Arizona (Sinema, I)
 - Montana (Tester, D)
 - Ohio (Brown, D)



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2024 U.S. Senate Races



2024 U.S. House Map

Cook Political 2024 Ratings

Lean Democrat:

- 13 Dem; 0 GOP

Lean Republican:

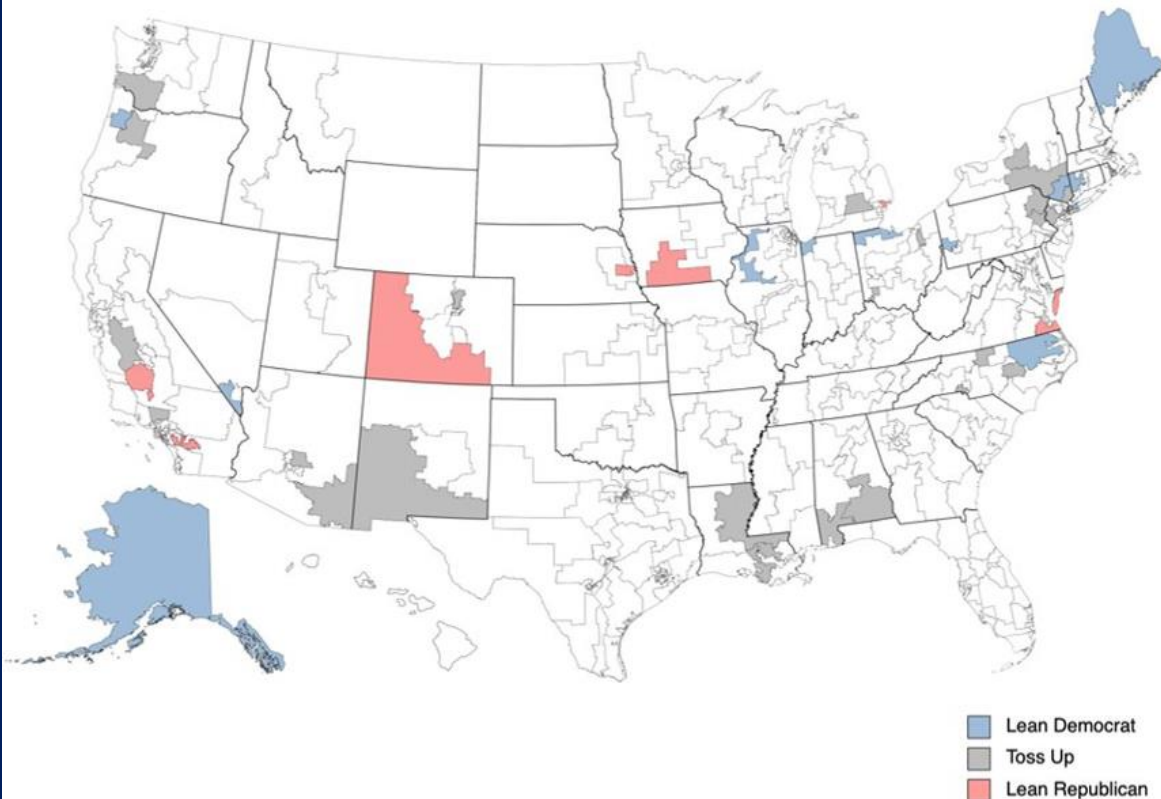
- 6 GOP; 0 Dem

Toss-Up: 16 GOP; 10 Dem

- | | |
|--------------------------|-----------------------|
| • Schweikert (AZ-01) | • Caraveo (CO-08) |
| • Ciscomani (AZ-06) | • Golden (ME-02) |
| • Duarte (CA-13) | • <i>Open</i> (MI-07) |
| • Valadao (CA-22) | • <i>Open</i> (MI-08) |
| • Garcia (CA-27) | • Davis (NC-01) |
| • Calvert (CA-41) | • Vasquez (NM-02) |
| • Boebert (CA-03) | • Sykes (OH-13) |
| • Rutherford (FL-05) | • Wild (PA-07) |
| • Letlow (LA-05) | • Cartwright (PA-08) |
| • Kean Jr. (NJ-07) | • Perez (WA-03) |
| • <i>Vacant</i> (NY-03) | |
| • D'Esposito (NY-04) | |
| • Lawler (NY-17) | |
| • Molinaro (NY-19) | |
| • Williams (NY-22) | |
| • Chavez-DeRemer (OR-05) | |



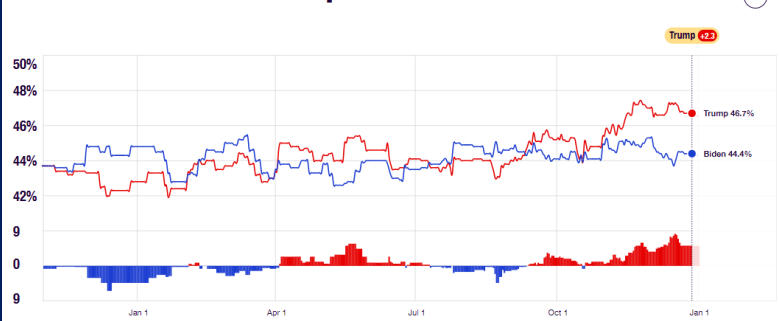
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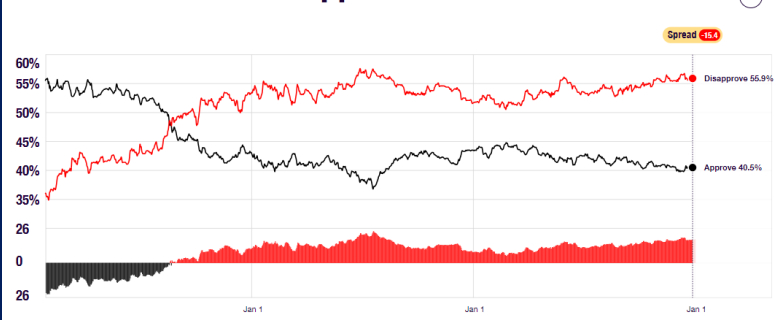
18 Biden districts w/ GOP rep.
5 Trump districts w/ Dem rep.

Race for the White House

General Election: Trump vs. Biden



President Biden Job Approval

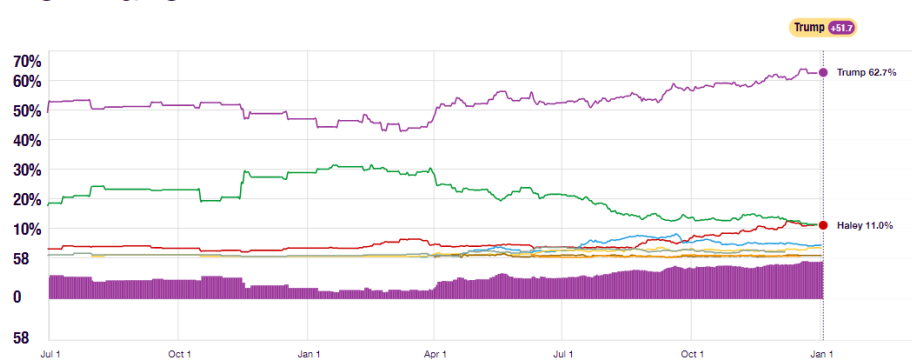


REAL
CLEAR
POLITICS

RealClearPolitics Poll Average

62.7 Trump +51.7 11.0 Haley 10.9 DeSantis 4.3 Ramaswamy
3.3 Christie 0.8 Hutchinson

2024 Republican Presidential Nomination



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Thank you

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