



The mid-term elections have come to an end with the Republicans taking control of the Senate. We would like to provide a brief update as to what we foresee as relevant Committee leadership changes. Note: The Alaska and Virginia Senate races are still too close to call. Also, a Senate runoff is set for December 6th in the race between Senator Mary Landrieu (D-LA) and Congressman Bill Cassidy (R-LA).

Party leadership will decide Chairman and Ranking Member positions in December. Members will assume their new positions at the beginning of the next Congress in the first week of January 2015. Once Committee positions are officially established, we will send out an update indicating all pertinent changes. Please see below, our current projections for a few key Committees, keeping in mind that changes in Committee leadership often lead to changes in key Committee staff, all of which will play out in the upcoming months.

Senate Banking Committee (SEC Oversight):

- Chairman Richard Shelby (R-AL)
 - Note: Because of an internal rule the Republicans adopted for themselves, Republican Senators can only serve as the Chair of a Committee for 6 years (in addition to serving as a Ranking Member for 6 years. House Republican Members can only serve 6 years in total as a Chair or Ranking member, while Democrats have no Committee term limit in either chamber.)
 - Senator Shelby chaired the Committee from 2003-2007, thus allowing him to return to the Chair position for 2 additional years.
- Ranking Member Sherrod Brown (D-OH)
 - Current Chairman Tim Johnson (D-SD) will retire at the end of 2014. Jack Reed (D-RI) is second in line to Johnson, but we predict that he will take over as Ranking Member on the Senate Armed Services Committee, where he is also more senior. This move would allow Brown to move into the Ranking Member position at Banking.

Senate Ag Committee (CFTC Oversight):

- Chairman Pat Roberts (R-KS)
 - Senator Roberts will receive the gavel because of Senator Cochran's expected move to the Appropriations Committee.
- Ranking Member Debbie Stabenow (D-MI)
 - Senator Stabenow began serving as Chair in 2011 and will remain on the Committee as Ranking Member.

Senate Appropriations Committee (Controls Agency Funding):

- Chairman Thad Cochran (R-MS)
 - Senator Cochran will return to the Chair of the appropriations to finish out his tenure. He chaired the Committee from 2005-2006, thus allowing him to return as Chair for 4 more years.
- Ranking Member Barbara Mikulski (D-MD)
 - Senator Mikulski began serving as Chair in 2012 and will remain on the Committee as Ranking Member.

House of Representatives:

The House gained more Republican seats and will remain in the majority. We expect Congressman Mike Conaway (R-TX) to become the next Chairman of the House Ag Committee, filling the seat left by Chairman Frank Lucas (R-OK), whose term as Chair expires at the end of this Congress. There is some speculation that Congressman Lucas will make a run for the Chair of the House Financial Services Committee, but this attempt will likely fail. In turn, Chairman Jeb Hensarling (R-TX) will remain at the seat, although this is far from certain at this point.

Bottom Line:

With the Republicans controlling both the Senate and the House in the next Congress, the most important change is that Republicans will control the Senate agenda (in other words, which legislation and nominations are considered by the body). While we believe more legislation is likely to move to the President's desk, any such legislation moving through the Senate will need to proceed on a bipartisan basis in order to make it to the Senate floor. The Republicans did not gain sufficient seats to overcome a Democratic filibuster (for which Republicans would need 60 votes), thereby requiring relatively broad bipartisanship to move a bill across the Senate floor. Moreover, it is unlikely that President Obama would approve any legislation not moved on a bipartisan basis.

There is also the slight potential for an Independent (Senator Angus King (I-ME)) to caucus with the Republicans and for a Democrat to switch party affiliation in light of last night's outcome (Senator Joe Manchin (D-WV) being the most likely candidate). Senate Democrats are expected to use this lame duck session to try to move as much legislation as they possibly can before the Republicans assume full control in January 2015. Although the Republicans are taking over next year, it will be difficult to get Republican votes this year on anything that is not absolutely necessary in 2015, such as a bill to fund the government beyond the current December 11th expiration.

We will continue to monitor any and all changes. As always, please let us know if you have any questions.

