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The midterm elections at a cost of just \$4 Billion had almost everything, except a vision for governing.

Neither party advanced any ideas for governing.

There were no serious discussions about cybersecurity, deficit spending, climate change, immigration, energy policy, tax reform, Social Security's long-term future or other major issues.

In campaigns about nothing, election debates tend to be dominated by anything.

I ended my remarks in June saying; "This election is about "power."

The lack of any major policy discussions suggests that "power" has now also become the enemy of new ideas.

As long as both parties think the presidency or the House or Senate majority is within reach, they are unlikely to produce major policy proposals.

The midterms reaffirmed that being associated with Washington is toxic.

More than two dozen incumbents received less than 60 percent of the vote in their primaries, more than any year since 2000.

President Obama was an anchor on Democratic incumbents.

As I said in June quoting National Journal's Ronald Brownstein:

"For all of the focus on fundraising, advertising wars, and grassroots campaign organizations, no single factor may shape this year's battle for control of the Senate more than attitudes toward President Obama."

From the Secret Service, to ISIS, Ebola to immigration, mistreated veterans to Ferguson, Missouri and race relations, candidates and especially the President had to react to the latest controversy du jour.

We're living through a period of uncommonly durable and pronounced pessimism.

It is remarkable that for more than a decade consistently a majority of Americans have said that the country is on the wrong track.

And in almost every election during that span, the party in control of the White House, the Senate or the House of Representatives has changed.

It's been a near constant seesaw.

In the modern-day Senate with fragile majorities, instability is a constant.

Not since the Civil War, coincidentally another period in our history of economic and social upheaval has the control of the Senate flipped back and forth with such frequency.

Narrow majorities encourage partisan conflict.

And, in two years the ground shifts again from where it was in this election with 7 Senate Democrats who ran from states Obama didn't carry, to an environment where 7 Republicans will be running in states Obama did carry.

The parties will fight again over Senate control and, on terrain more hostile to the GOP.

In polling leading up to the elections, a majority of voters said events in the United States are "out-of-control" and that the U.S. has "lost control of its major challenges."

The President became a symbol of that sentiment.

Worse for most incumbent Democrats were 28 words from Obama's speech at Northwestern University at the beginning of October:

"I am not on the ballot this fall. Michelle's pretty happy about that. But make no mistake: these policies are on the ballot. Every single one of them."

And worse still, at the end of October the President reiterated his point declaring:

"Democrats who vote with me have supported my agenda in Congress."

By putting the focus on himself and his policies, Obama put Democrats on the defensive.

As much as Republicans ran against an unpopular lame duck President; Democrats ran away from him.

Republicans wanted to make the election a referendum on President Obama's competence.

Republicans couldn't have written a better script.

Democrats are smarting from standoffish President whose legacy now has left the Party in worse shape than when President Obama entered office.

The number of Democrat seats in the House is at its lowest ebb since 1929, the number of Democratic Governors is down and a party approval rating that's fallen behind Republicans for the first time in modern history.

The midterms continued the ongoing partisan partitioning of the country divided into durable red and blue spheres dominated by each party.

Nearly every Democratic member of Congress represents House districts and Senate seats representing voters who liked Obama, and almost all Republicans have been elected by voters who don't like the President.

It's an understatement to say it will be challenging to find common ground between members of Congress operating from antithetical electoral motivations.

For Republicans, the risk is that, unless they find a way to address the underlying dissatisfaction of the electorate, their 2014 victory lap may be transitional.

At the same time, many of the new House GOP members come from the South, Northeast and along the Pacific Coast.

These are more like swing-districts than solid red districts.

The GOP members elected in New York, New Hampshire, and Maine won narrowly and their re-elections in two years will be challenging under the best of circumstances so, how they vote will be crucial and they cannot afford to vote the way the RSC members vote.

These swing-district Republicans strengthen the hand of Speaker John Boehner against hardline conservatives with some incentive for compromise with Democrats on issues with centrist appeal.

The incoming faction of moderate-minded lawmakers gives Boehner more room to maneuver.

However, as many as a dozen seats that were held by moderate Republicans have been replaced by more-conservative members.

[For example, Glenn Grothman of Wisconsin, Barry Loudermilk and Jody Hice of Georgia, as well as Gary Palmer of Alabama and Dave Brat in Virginia have all positioned themselves as "more conservative" than their predecessors.]

So there is an enlarged moderate wing and a larger conservative wing to the House GOP conference.

Taken together that creates more "available" votes to cobble together and reach 218.

Although the House New Democrat Coalition lost a dozen members to the midterm elections and retirements, it has added five new members.

[Reps. Brad Ashford (Neb.), Pete Aguilar (Calif.), Don Beyer (Va.), Gwen Graham (Fla.) and Kathleen Rice (N.Y.)]

That brings the group to 47 members, which is another area of opportunity to seek votes.

The Blue Dogs lost more than a third of their members in the Midterms, and while down to less than a quarter from its peak, there are a dozen members left presenting other opportunities for votes.

We will need to try and capitalize on a larger GOP House conference with more moderate votes, along with moderate Democrats to advance issues in coalitions of votes.

The makeup of the 114th Congress presents more opportunity to help advance our agendas, and more opportunity to assemble votes because the playing field is larger and more diverse while the trend generally is still more conservative.

One other point worth remembering and factoring into your plans for the 114th Congress – for the first time in four years of polling, the public expressed a preference for candidates “who will make compromise to gain consensus on legislation.”

Still, 42 percent of the public favor candidates who stick to their principles and don't compromise, but the larger point is four years ago, 57 percent of the public favored non-compromising candidates, while 34 percent wanted compromise - - - - - so, four years ago those opposing compromise enjoyed a 23 point advantage – now, compromise enjoys a significant 31 point swing and, importantly by all subgroups.

We may need from time to time to remind members of the new Congress that breaking congressional gridlock was the second most important issue right after job creation and the economic growth.

While the President's agenda has largely been stymied since his reelection, and with the Republicans now fully in charge of Congress and no longer simply an opposition party, both sides have incentives to strike some deals.

I think the three principals Obama, McConnell and Boehner have each achieved the pinnacle of their respective political ambitions as President, Majority Leader and Speaker - - and - - all three have a lousy legacy at the moment.

All three, I believe want legacy achievements and the simple fact is they can't be successful without each other.

Boehner and McConnell want to prove the House and Senate are functional and dispel the notion held by the public that all government is dysfunctional.

And, we know Obama has spent considerable time studying how history has judged other presidents and he is focusing on his legacy.

If I'm right about all three of them, that too, presents another opportunity to advance legislation.

Still, both sides will have to give up more of what they'd like - - - to get less than they want.

For me, there are five unanswered questions about deal-making in the next Congress.

- How the White House will be able to cut deals with McConnell without causing a revolt with Democrats?
- How will McConnell maneuver on deal-making without putting Boehner in an untenable position in the House?
- Will Reid resist deals that he believes help vulnerable Senate Republicans in their 2016 reelection bids in order to recapture the Senate?
- Will Senate Republicans restore the 60-vote standard for filibusters for presidential nominees to the executive branch and lower courts?
- And, the "Biden Factor" – The vice president could turn out to be one of the most indispensable players of the 114th Congress as the legislative deal-maker-in-chief.

McConnell and Biden served 24 years together in the Senate and all but four of those two dozen years were during divided government.

To advance legislation Republicans will need half a dozen or more centrist Democrats to join their cause; Biden could be crucial to forming those sorts of coalitions of votes.

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The filibuster is being actively debated inside the GOP caucus - one camp says keep it, another camp wants to return to pre-Nuclear option rules.

McConnell has pledged to return the Senate to regular order.

We all need the Senate to return to regular order, so members can offer amendments, so we can work the committees, where spending bills are considered, where Senators have an important role to play as legislators.

To do our jobs effectively, we need the Senate to function again as the Senate.

McConnell has also expressed interest in returning the filibuster rule back to where it was before the nuclear option.

However, the Senate as an institution has for decades proven to be an institution ruled more by precedent than anything else - - - since the Senate can create its own rules.

Many of the more conservative Republican members want to keep it fearing Senate Democrats won't hesitate to break a restored filibuster again resulting in the potential that Republicans would be restoring the 60-vote threshold ONLY when they hold the Senate majority.

So, that would mean Republican presidents would have to pass a 60-vote threshold while Democratic presidents would need only 51 votes.

That's another one of those "worth watching" issues.

With Congress soon to be under new management, there are other challenges that will play out.

Because of Obama's EO on immigration, McConnell and Boehner start in the difficult position of opposing the President and - - succeeding in their opposition - - enough to satisfy their own members without shutting off the possibility of cooperation next year.

Some other developments to monitor:

Democrats are becoming more willing to purge those who aren't ideologically pure.

In June, I highlighted the tensions between the "establishment" Democratic base and the populist wing, led by Senator Elizabeth Warren.

Democrats are split over whether to advance a centrist message or a populist economic argument that casts everyday families as victims of overly powerful corporations and government policies.

This is a growing and substantial disagreement with Democrats looking increasingly fractious.

Senator Schumer's National Press Club speech was telling.

Schumer in his inimitable way defined the flaw of enacting Obamacare as undermining the larger issue of being the "pro-government party."

In crass political context, Schumer said:

"only a third of the uninsured are even registered to vote," he said, and only "about 5% of the electorate" benefits from the entitlement. "To aim a huge change in mandate at such a small percentage of the electorate made no political sense."

And now, Elizabeth Warren is part of the Senate Democratic leadership.

Warren was the biggest draw for Senate Democrats in their campaigns and welcome where Obama wasn't.

Warren's growing clout will shift the Caucus further left.

The Daily Kos website channeling Elizabeth Warren's populism declares:

“The future of the Democratic Party is a populist one, and all that's left is to whittle out the dead weight.”

Daily Kos founder Markos Mousitsas argues liberals are successfully “purged [ing] so-called squishy moderates from the Democratic Party's ranks.”

Moveon.org is pressuring Hillary Clinton to oppose the Keystone XL Pipeline, warning “if she doesn't, her refusal to take a position raises the possibility that she is worse on climate change than 80 percent of the incoming Senate's Democratic Caucus.”

The division in the Democratic Party today is not only about explaining 2014, but laying the groundwork for 2016.

While the Democrat Party goes through the usual post-mortem of what went wrong in the midterms, the progressives have decided on a concerted effort to pull the party to the left.

After the elections, the Progressive Change Campaign Committee said, “the path to political success for Democrats is to follow Elizabeth Warren's lead and campaign on big, bold economic populism.”

Warren's ascendance and influence is seen in her “Enough is Enough” campaign openly opposing Obama's nomination of Lazard investment banker Antonio Weiss to be Under Secretary of the Treasury for Domestic Finance because of his ties to Wall Street.

The opposition to Weiss is a proxy fight in the larger war between the progressive left, led by Senator Warren, and more centrist, Wall Street-friendly “Clinton” Democrats.

Back at the other end of Pennsylvania Avenue, the president is building his second-term legacy in large part through unilateral action.

Having lost control of Congress, getting things done through executive action is an attractive option.

The president's announced policy on shielding millions of immigrants from deportation and a climate deal with China without consulting Congress and moving forward with EPA's new ozone mandate are all examples of presidential power.

These actions have infuriated Republican lawmakers and that raises the specter of diminishing chances to forge agreements with Republican leaders, whose members demand a response.

The president's tone, while saying he wants to work with Congress, has been defiant since the elections.

The Speaker is trying to move his enlarged conference to look beyond the immediate fight over immigration executive action to more durable legislative results.

Since the president's actions will likely stand, Boehner, McCarthy and Scalise need to create a process that allows members to vent, but never broaches a shutdown.

And while the GOP wants to mount an assault on the President's regulatory agenda, their power to derail rulemaking efforts is limited since Obama would have to sign any resolution disapproving a rule one of his own agencies puts out.

Senate Republicans do not have enough of a majority to prevent a filibuster on anti-regulatory legislation — nor could they override a veto from President Obama, without support from Democrats.

In rulemaking, presidents have the upper hand.

It's also important to realize that as Republicans take the reins of both chambers of Congress for the first time in nearly a decade; their immediate agenda will be filled with leftover business.

While many Republicans wanted to come out swinging in the New Year on tax reform, trade deals, energy legislation and changes to Obamacare, it does not appear that the lame duck Congress will be checking anything big off its to-do list.

The Republican majority will start the year needing to fix the Medicare payment issue for Doc's, as well as transportation funding and the debt ceiling, and McConnell has vowed to stick to a regular budget process, including moving on a budget resolution by April and appropriations bills soon after that and those six issues must be dealt with just in the first six months of the new Congress.

The Social Security disability program, meanwhile, is projected to start running short of cash in 2016.

These deadline-driven issues take a lot of the time.

All that pre-lame-duck talk about clearing the deck - - - - - was - - - - - just talk.

Within each political party, it's important for us to understand that the more ideological driven voters are disproportionately influential since they are the most energized voters, the most likely to contribute to campaigns, the likeliest to participate in primaries and less likely to support compromise.

That's important to all of us because that higher level of interest doesn't end on Election Day.

The most partisan individuals remain engaged in the legislative process.

Engagement in and follow through in the legislative process is, on the other hand, much lower among moderate voters.

There's also a third category.

That's you.

Your active participation is crucial for legislative successes in Congress.

We have new players and a new playing field.

It creates new opportunity that was previously closed off.

We need to push members and leadership to do what they were elected to – legislate.

We need a functioning Congress and the new Congressional leadership will need our help to succeed.

As a nation, we've been on a near decade-long search for competence.

We've had several elections now where the American people have spoken loud and clear about what they expect from their government.

And with each passing election, they speak louder and with greater force.

They don't want bigger government; they don't even want dramatically smaller government.

They want a government that works. They want competence. Nothing fancier than that!

Going back almost a decade, voters have voted every two years against incompetence and for what they hoped would be competence.

And every two years, they have been disappointed, which explains why their fury is hitting fever pitch.

In 2006, they rejected the Bush Administration's incompetence over the Iraq war and the Katrina disaster.

In 2008, they rejected it again and voted for what they thought was "hope and change."

In 2010, the first seeds of disappointment bore fruit, and as voters took control of the House away from the Obama Democrats.

Two years later, they had two bad choices: an incompetent Romney campaign or an increasingly incompetent incumbent President.

They chose the incompetent they knew.

This year, they put an exclamation mark on the point they've been trying to make for almost ten years.

So now the challenge has been handed to Congressional Republicans.

And now, the voters are expecting them to deliver.

And our message to our friends in Congress has been blunt. If they don't get their act together and deliver, they will suffer the same fate – if not worse – than the Obama Democrats did this year.

First, thank you for everything you've done to help put us in this position. Truer words have never been spoken: we could not have done this without you.

But, second, your job is nowhere close to being finished.

We've only just begun.

You have to stay engaged.

It's not good enough just to get more business friendly Members of Congress elected.

Now we have to keep the heat on and make sure they have no option other than to deliver.

The good news is we're winning.

The better news is you can make a difference. You have made a difference.

If November's election results prove nothing else, it's that people who get involved, who show up when no one else wants to, and who do the hard work of getting better quality candidates elected can change the course of this country.

Look what happened in 2010 when enough people got fed up enough that they got together, called themselves "tea partiers" and forced change – dramatic change – in Washington.

You can question whether that was good change or bad change.

But, you can't question that elections do have consequences.

And this is a consequential time in our history.

What you all do – what we do together – will have ramifications not just in 2016, but for generations to come.

This is no time to stop.

I've seen a lot in my 40 years at the Chamber.

But I'm hard pressed to say I've seen anything as impressive as what I saw from all of you – working with our people at the Chamber – this year.

So again, I want to thank you again for taking the time to show up, and for doing the hard work to turn this country back in a better direction, not just for us here, but for generations of Americans to come.

Thank You.