

Ogilvy Government Relations

To: Valued Clients
From: Ogilvy Government Relations
Date: November 4, 2020
Re: Elections Results and Insight

Vice President Biden leads President Trump (238-213, according to CNN) in the race to 270 electoral votes. Sixty-seven percent of American voters cast ballots, which is the highest since the election of 1908.

Last night, both Vice President Biden and President Trump greeted supporters to express confidence that their respective tickets are on the path to victory, although several states are still too close to call: Pennsylvania (20 electoral college votes), Michigan (16), Georgia (16), North Carolina (15), Arizona (11), Wisconsin (10), Nevada (6), Maine (4), and Alaska (3) have not yet been called. Varying state deadlines to receive ballots, millions of still-uncounted votes, and impending legal challenges could extend this election days, if not weeks. At 2:30 AM, President Trump created controversy by unofficially claiming victory and said he will use the Supreme Court to ensure election integrity.

Democrats will gain seats in the Senate, but Republicans are likely to retain their slim majority for the next two years.

As expected, Democrats retained their majority in the House, but Republicans have thus far exceeded expectations with a current net gain of at least four seats. Texas Republicans delivered decisive wins to President Trump and Senator John Cornyn, while narrowly defending all vulnerable incumbents and open seats. They also maintained control of the state legislature, which will apportion three to four new Congressional seats for the 2022 elections.

Governance

- It's likely that voters delivered divided government to the nation. While it's too early to tell how difficult legislating will be, it's clear that most new policy will be generated by executive order and rulemaking activity. President Trump will continue his deregulatory march, and a President Biden would likely re-regulate major sectors of the economy.
- The tax outlook under a Trump victory may not look too different from that under the scenario of a Biden victory assuming a Republican Senate in either case. Divided government, even if the composition differs, is likely to yield the same result – a temporary extension of existing tax policy, such as tax extenders and expiring TCJA provisions, just as Obama and Congressional Republicans came to an agreement to temporarily extend the Bush tax cuts in 2010.
- If Senate Republicans can hang on to their majority, widely discussed tools like budget reconciliation and filibuster reform won't be utilized to promote a Biden Administration agenda.
- What cannot be avoided by Congress, however, are the significant issues looming later this year and in the first half of 2021. Statutory spending caps disappear when Congress closes out the fiscal year 2021 appropriations process and the debt limit suspension will expire in July 2021.

Ogilvy Government Relations

Senate

- While control of the Senate is still unknown, the path to a Democratic majority will be tough. Democrats have a net gain of one at this point (Colorado and Arizona pickup, Alabama loss), with Sen. Peters' race still not called. On the Republican side, Sen. Collins' and Sen. Tillis' elections have not been called. The Georgia special election for Sen. Loeffler is headed to a runoff, and Sen. Perdue's lead is right at 50% and has not been called either. If that were to slip below 50%, there could be a second runoff. Control of the Senate may ultimately be determined by the January 5th Georgia runoff. Democrats will need two of these seats plus a Biden win or three seats without Biden to take control of the Senate.
- The outcome of Senator Peters' election could have an impact on Democratic Leadership of the Homeland Security Committee. Senator Hassan would likely be the next in line.
- The Senate will continue to function under existing rules and any legislation must obtain 60 votes to pass. The majority will need even more votes from the minority to get to 60 votes. There is no margin for error on either side for confirmations.

House

- With a disappointing election night that could produce net losses, expect some Democratic members to begin calling for changes in Leadership. At this point it's too early to tell how the election will impact Lame Duck negotiations or how Democratic Leadership will manage competing priorities within the Democratic Caucus in the next Congress.
- It's likely that House committee ratios could marginally shift in favor of Republicans, but that decision must be negotiated by Democratic and Republican leaders and is not likely for some time.
- House GOP leadership is safe after significantly beating expectations. Leader McCarthy's and Chairman Emmer's stock is higher than ever this morning.
- House GOP diversity efforts paid dividends as three new Latinos, one African American and more than a dozen women could comprise its Freshman class.
- House Republicans feel confident they have a solid path back to the majority in 2022 if Vice President Biden wins. Since 2006, the president's party has suffered an average net loss of 36 seats in midterms.
- The moderate New Dem and Blue Dog coalitions suffered key losses last night and are trailing in outstanding races. We can expect both groups to be smaller in size in the 117th Congress.
- Key Committee Chairs and Leadership Race Results
 - Chairman DeFazio defeated his challenger.
 - Chairman Peterson lost his re-election.
 - DCCC Chairwoman Cheri Bustos is leading in her race, but it has not been called yet.

Election Results

Presidential Results as of 8:00 a.m. Eastern Time:

No Declared Winner at this time

As of early this morning, the winner of the 2020 general election for President is still undetermined.

The results in five key battleground states are not yet finalized: Nevada, Wisconsin, Michigan, Pennsylvania, and Georgia. Final results could take several days.

Electoral College Count is:

Trump/Pence: 213

Biden/Harris: 238

Undecided: 87

The Popular Vote is:

Trump/Pence: 66,753,961 (48%)

Biden/Harris: 69,036,890 (50%)

Senate Results as of 8:00 a.m. Eastern Time:

Republicans are likely to retain their majority in the Senate

Republicans performed above expectations last night. While official results are still pending in some key battleground races, the Republicans are likely to retain control of the Senate.

Republicans: 47 Seats

Democrats: 47 Seats (including Senators Sanders and King who caucus with the Democrats)

6 races are undecided at this time. (Alaska, Georgia 1, Georgia 2, Maine, Michigan, and North Carolina)

House Results as of 8:00 a.m. Eastern Time:

Democrats Appear to have Retained their Majority in the House

The counting of absentee ballots is still underway in many House races. But available results indicate that Republicans will increase their number of seats, but the Democrats will hold their majority.

Democrats: 188 Seats

Republicans: 181 Seats

66 races are undecided at this time.