

Washington:
Political Landscape

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Informa Economics

President Obama

- **Decline in poll numbers, but stabilizing**
 - *Negatives: jobs, health care, deficit*
 - *2.7 mil. jobs lost since Obama president*
 - *7.6 million since recession began Dec. '07*
 - *Economic stimulus package*
- **Czars eclipse Cabinet members**
 - *Efforts to alter system will not succeed*

Economy

- **U.S. economy will drive Obama, agenda**
- Outlook: Unemployment key... now at 9.8%
- **World economy on rise: 4% GDP 2010**
- **Rise of the Chinese consumer**

Obama Cabinet

■ Trade Policy

- *USTR: Finally some help for USTR Kirk*
- *State Dept. wants bigger role*
- *USDA: Lesser role thus far*

■ Environment

- *EPA: Lisa Jackson aggressive regulator*
- *Czar: Carol Browner*

■ USDA

- *Vilsack: Continues as different Ag Secretary*
- *Budget office: No longer independent*

■ Justice

- *Ass't Attorney General (antitrust): Varney*

President Obama: Key issues

- **Health care reform**
 - *Will pass; moderates key in Senate*
- **Climate change/cap-and-trade**
 - *Senate: GOP Lindsey supports, but...*
 - *Senators up for reelection: Lincoln, Bayh, Dorgan, Murkowski, McCain, Specter*
 - *House: Passed by close vote; Dems worry*
- **Food safety reform**
 - *Will be completed this year; ag exemptions*
- **Financial regulation reform**
 - *Fall action in House; next year in Senate*

Immigration: Looming Battle

- **Power at the polls**

- *Hispanics: 9.7 million eligible voters in 2008*
Up 28.4% from 2004-2008

- **Clearly favored Obama over McCain**

- *67% to 31%*
- *Hispanics want a 'thank you'*
- *But hard to get reform with 10% unemployment*

Congress

- **House**
 - *Pelosi: Clear liberal in Democratic party*
 - *Waxman: Powerful chairman*
- **Senate changes with Kennedy death**
 - *Blanche Lincoln (D-Ark.) new Ag chairwoman*
- **Elections: 2010**
 - *House: GOP pick ups... 12-15, more if economy turns sour again; unemployment*
 - *Senate: GOP may gain 1-3 seats*

Key: Ct. Nev. Ill. Colo. Pa. Ark. Del. N.Y.

Senate Election Details

- 2010
 - *GOP*: 19
 - *Dem*: 19
- 2012
 - *GOP*: 9
 - *Dem*: **23**
- 2014
 - *GOP*: 13
 - *Dem*: **20**

Legislation Perspective

- **Sen. Thune (R-S.D.):** ‘Voters fear carbon caps will raise energy prices and hurt an already struggling economy with no assurance that fast-developing China and India will take comparable action.’
- **2010 Elections:** White House wants votes on health care, climate change as early as possible to insulate Democrats as much as they can from the political fallout in 2010 elections.

Other Key Issues

| Issue | Perspective |
|-----------------------------|--|
| Ethanol | <ul style="list-style-type: none"> - <i>Boost in blend rate</i> - <i>RFS 2 implementation</i> - <i>Import tariff</i> |
| Debt | <ul style="list-style-type: none"> - <i>\$1.4 trillion yearly deficit</i> - <i>Cumulative debt: \$12 trillion</i> - <i>How to pay for...</i> |
| Transportation | <ul style="list-style-type: none"> - <i>Extension of Surface Transportation bill. Battle: Senate wants long extension; House wants a new bill. How to pay for \$500 billion bill.</i> |
| Food and nutrition spending | <ul style="list-style-type: none"> - <i>FY 2010: 71% USDA budget</i> - <i>Over \$86 billion</i> - <i>7% of retail spending on food</i> - <i>70% hike in five years</i> |

Issue: Trade Policy

| Issue | Perspective |
|-------------------------------|--|
| Brazil cotton issue with U.S. | <i>Brazil will go slow in actual sanctions, but total could be \$800 million versus initial \$230 mil.</i> |
| Doha | <i>- Later, big changes needed</i> |
| FTAs | <i>- Panama next year?</i> |
| | <i>- Colombia... after 2010 elections - Canada- Colombia FTA</i> |
| | <i>- South Korea: changes needed</i> |
| Focus | <i>Enforcement of existing accords - - labor, environment</i> |
| COOL | <i>Challenges from Canada, Mexico</i> |
| China tire issue | <i>- Domestic politics in both countries</i> |