It's STILL the Economy

"I don't like to consider it a defeat for me. I wasn't on the ballot." — President Trump

Tuesday's election made history: the new Democratic majority positions Hakeem Jeffries to become the first African American Speaker of the House, and voters elected Gina Hinojosa as Texas's first Hispanic woman governor, Keisha Lance Bottoms as Georgia's first African American woman governor, Abdul El-Sayed in Michigan as the nation's first Muslim senator, and Republican Byron Donalds as Florida's first African American governor.

Democrats won unified control of Congress on Tuesday, ending two years of Republican control in Washington in a result that reached deep into Republican territory. As of printing, no Democratic incumbent had lost a race.

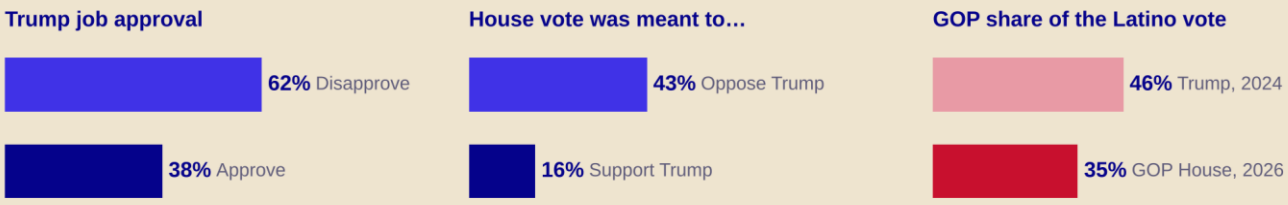
54	235+	4	38%
Senate seats	**House seats, CNBC**	**Governorships flipped**	**Trump job approval**
Seven GOP seats flipped; Alaska and Mississippi uncalled	NBC estimates 255; net gain of 27 so far	Texas, Georgia, Ohio and Iowa	62% disapprove, NBC exit polls

THE MAP

- **Senate:** Democrats held New Hampshire and Michigan and flipped seven Republican-held seats, in Iowa, Kansas, Maine, North Carolina, Ohio, South Carolina and Texas, three more than the net gain of four they needed; the Alaska and Mississippi races have not yet been called; in Mississippi, Democrat Scott Colom led Sen. Cindy Hyde-Smith by 28 votes of nearly 1 million cast. Kansas will send a Democrat to the Senate for the first time since 1932, and South Carolina had not elected a Democratic senator this century.
- **House:** NBC News shows a net gain of 27 seats so far and estimates a final count of 255 Democrats to 180 Republicans; CNBC's Election Desk projects at least 235 Democratic seats. At NBC's estimate, it would be the party's largest House majority since the 257 seats it won in 2008.
- **Governors:** Democrats flipped Texas, Georgia, Ohio and Iowa, although Republicans held Florida.

WHY VOTERS MOVED

Exit polling points to a referendum on President Trump and the economy.



Source: NBC News national exit polls, Nov. 3, 2026.

- **The economy ranked first** at 39 percent, and 65 percent said Trump's policies had made it worse.
- **Sixty-two percent** said starting the war with Iran was the wrong decision. CBS News reported that Trump was on track for the lowest approval of any president in a midterm election.

WHAT IT MEANS

- **A real check.** For the final two years of Trump's term, the Senate majority lets Democrats block nominees, and House control brings subpoena power for oversight investigations. Rep. Robert Garcia, the expected Oversight chairman, has already signaled a broad investigative agenda.
- **Not a governing majority.** Democrats will not be able to enact their agenda on their own, because Trump keeps his veto and most Senate legislation will still need 60 votes.
- **DGA expects** the next two years to center on oversight, appropriations and other must-pass bills, with the most useful openings in areas where both parties and the White House still need a deal. The 120th Congress convenes January 3, 2027.

This memo moves from the bottom line to the details: what changes for companies and where Congress actually holds the pen, sector by sector; what history and the new leadership tell us about how a Democratic Congress will work; the calendar of deadlines that sets its leverage; and what it means for President Trump on war, trade and oversight.

What This Means for Your Company

Five things to know

1. **Gavels change hands; the veto pen doesn't.** From January 3 Democrats set the agenda and hold the subpoena. Most bills still need 60 Senate votes, and every law without a supermajority still needs the President's signature. Democrats also control the confirmation process.
2. **The leverage sits in must-pass bills.** FY2028 appropriations, the NDAA and the debt limit (projected to be reached by May 2027) are where Democrats can extract real concessions, and where DGA expects deals to get made.
3. **Oversight becomes the main event.** Democratic chairs hold the power to subpoena. Already lined up: Trump family business deals, the Epstein investigation, White House ballroom funding, immigration enforcement (with subpoenas planned for Stephen Miller), the terms of drugmakers' pricing deals. For companies, DGA expects the focus to be pricing, contracts and China links. Subpoena fights take a year or more.
4. **Trade, AI, telecom and international relations stay with the executive branch.** Tariff rates are set by the White House through 2028; Congress can hold hearings, not change the outcome without legislation the President would sign.
5. **The President governs by executive action.** DGA expects more vetoes, more Section 232 and 301 tariff actions, more agency rules and more acting officials. Through 2028, DGA treats executive action, not legislation, as the main policy risk.

The Bottom Line

Gavels change hands; the veto pen doesn't

THE NUMBERS THAT DON'T MOVE

60	votes to end a filibuster. At 54 seats, with Alaska uncalled, Democrats need 6 Republicans.
2/3	of both chambers to override a veto.
67	senators to convict on impeachment.

A Democratic Congress changes who sets the agenda and who holds the subpoena — not who signs the bills.

Gavels, not laws. Democrats would set the agenda and the hearing calendar. But 54 Senate seats, with Alaska still uncalled, is still short of 60, and every law still needs the President's signature without a supermajority. The legislative filibuster stays in place unless a new majority changes the rules; this analysis does not assume that.

Oversight becomes the main event. Subpoena power arrives January 3. Ranking Democrats have already mapped probes of the administration, the Trump family and private companies.

Must-pass bills are the leverage. Appropriations, the debt limit and the NDAA are where Democrats can extract real policy concessions. Most of everything else is messaging.

Trump governs by executive action. DGA expects more vetoes, more Section 232 and 301 tariff actions, more acting officials and a much harder road for nominees.

Congressional Outlook

Where Congress actually holds the pen

The chart below sorts thirteen sectors into those three positions. The sector detail that follows takes each in turn: the vehicle or lever, who drives it, what is at stake, and the likely outcome. Trade sits at the door despite its business impact, because the tariff pen stays with the White House.

Timing matters. The new majority's leverage starts January 3. The $87.6B war supplemental has been pushed to the post-election lame duck, so some defense outcomes may be settled before Democrats hold the gavel.

Who holds the pen, sector by sector. Placement is DGA's judgment. Dates are each sector's next hard deadline.

Congress at the Table

A must-pass bill gives Democrats something to trade.

Defense & aerospace
NDAA, FY2027 appropriations and the war supplemental
Dec 11, 2026

Health coverage
ACA credits and Medicaid delays ride a must-pass bill
Jan 1, 2027

Agriculture & food
Farm bill has lapsed; a SNAP cost-shift delay is the trade
Jan 1, 2027

Pharma, biotech & medtech
Drug and device user-fee bills; MFN subpoenas
Sep 2027

Congress in the Room

Deals, riders and nominations shape the outcome.

Energy & utilities
Permitting and ratepayer deal; credits need Trump's signature

Financial services
CLARITY needs an ethics title; the Senate controls nominees

China
NDAA provisions; tariff and chip deals stay with the White House

Immigration & workforce
DHS conduct riders; ICE is funded through 2029

Autos & AVs
Connected-vehicle ban bill pending; AV preemption contested

Congress Knocking at the Door

Hearings, letters and subpoenas; the executive decides.

Trade & tariffs
Sections 232 and 301 stay executive; Congress gets hearings

Artificial intelligence
Preemption stalls; states keep regulating

Telecom & devices
Covered List stays agency-driven; process reform at most

Housing & real estate
ROAD implementation and HUD rules

DGA view: the sectors that hit business hardest are not always the ones where Congress holds the pen.

Sector Implications

What each sector faces, and the likely outcome

The three tables below take each position in turn: the vehicle or lever, who drives it, what is at stake, and the likely outcome. Dates are each sector's next hard deadline.

Congress at the Table. A must-pass bill gives Democrats something to trade. These sectors ride bills that have to move.

SECTOR · NEXT DEADLINE	THE VEHICLE	WHO DRIVES IT	WHAT IS AT STAKE	LIKELY OUTCOME
Defense & aerospace Dec 11, 2026 Defense stopgap ends	FY2027 defense appropriations, the unfinished FY2027 NDAA, the FY2028 NDAA and the $87.6B war supplemental (not enacted)	**Smith** (House Armed Services), **Reed** (Senate Armed Services), **DeLauro** (Appropriations)	$1.5T request, $350B of it via reconciliation; Golden Dome ask $17.9B, $17.1B via reconciliation	Golden Dome and reconciliation-funded programs most exposed; munitions and readiness likelier to win support
Health coverage Jan 1, 2027 Medicaid work requirements begin, barring state exemptions	Early House vote on ACA credits; Medicaid rollback proposals ready; relief expected to ride a must-pass bill	**Pallone** (E&C), **Neal** (Ways & Means); **Wyden**, **Sanders** in the Senate	Enhanced credits expired Jan 1, 2026; individual-market enrollment down 18%; provider-tax cuts begin Oct 1, 2027	A two-year credit restoration with income caps, or delayed Medicaid dates

SECTOR · NEXT DEADLINE	THE VEHICLE	WHO DRIVES IT	WHAT IS AT STAKE	LIKELY OUTCOME
Agriculture & food **Jan 1, 2027** Dairy cliff	The farm bill: authorities lapsed Sep 30 and the Dec 11 stopgap does not extend them	**Shontel Brown** front-runner at House Agriculture *[Chair not settled]*; **Bennet**, then **Booker**, at Senate Agriculture	SNAP benefit cost-sharing for high-error states starts Oct 1, 2027; Booker's red line is a two-year delay	A lame-duck extension or a 2027 farm bill trading a SNAP cost-shift delay for commodity and dairy support
Pharma, biotech & medtech **Sep 2027** Drug and device user fees due	FDA user-fee reauthorization for drugs and devices, the one bill in this sector that has to move (FDA sends the device agreement to Congress in January); subpoenas on MFN deals	**Pallone** (E&C); **Wyden** (Finance); **Sanders**, **Warren**	26 MFN deals (administration figure, Aug 31); Section 232 drug tariffs; a Section 232 tariff probe of medical devices, open since Sep 2025 with no decision; Medicare round-three prices due Nov 30, 2026	MFN deal terms become public in 2027; the user-fee bill carries whatever drug and device policy moves

Congress in the Room. Democrats can shape deals, riders and nominations, but the White House keeps a veto or acts by agency.

SECTOR · NEXT DEADLINE	THE LEVER	WHO DRIVES IT	THE LIMIT	LIKELY OUTCOME
Energy & utilities **Dec 31, 2027** Wind/solar in-service cutoff	Bipartisan Senate permitting text (Sep 30); data-center ratepayer bill passed the House 417–3	**Pallone** (E&C); **Budzinski**, **Levin** working group; **Schumer** on clean-energy credits	Credit restoration needs Trump's signature; DOE emergency orders and LNG approvals continue	Ratepayer protections and permitting are the realistic deals; data-center developers face the most new scrutiny
Financial services **Jan 18, 2027** GENIUS Act effective, at the latest	CLARITY Act needs an ethics title (cloture failed 49–50); the Senate confirms regulators	**Warren** (Banking), **Waters** (Financial Services); **Murphy**, **Van Hollen**, **Merkley**	Capital relief and crypto rules proceed by agency action; CFPB stays under acting leadership	CLARITY passes only with an ethics title the White House may veto
China **Jan 10, 2027** Trade truce expires	FY2028 NDAA; congressional review of chip licenses (AI Overwatch Act, advanced 42–2 in Jan 2026)	**Khanna** (China Select) *[Renewal not yet confirmed]*; **Meeks**; **Smith**, **Reed** (Armed Services)	Licenses and tariff cuts traded for purchases; vetoes limits on export-licensing discretion	More scrutiny, not relief, for China-linked companies
Immigration & workforce **Dec 11, 2026** DHS stopgap ends	DHS conduct riders: judicial warrants, no masks, visible ID; oversight subpoenas	**Thompson** (Homeland), **Garcia** (Oversight), **DeLauro** (Appropriations)	Secure America Act: $69.5B, incl. $38.5B for ICE and $26B for CBP, available through Sep 30, 2029	Another DHS funding standoff; for employers, H-1B and workforce rules are the risk
Autos & AVs **MY 2027** Chinese software ban	Connected-vehicle ban bill, held up by Sen. Paul; E&C Democrats oppose SELF DRIVE preemption	**Cantwell** (Commerce): stronger NHTSA, wary of broad preemption; **Moreno**–**Slotkin**	Section 232 tariffs stay; AV deregulation continues through NHTSA exemptions	No preemptive federal AV law before 2029; NHTSA exemptions and state approvals remain the path

Congress Knocking at the Door. Congress brings hearings, letters, and subpoenas. The executive branch sets the outcome.

SECTOR · NEXT DEADLINE	EXECUTIVE CONTROLS	CONGRESS CAN	WHO DRIVES IT	LIKELY OUTCOME
Trade & tariffs **By Jul 1, 2027** Next USMCA annual review	Section 232 and 301 tariff rates, USMCA annual reviews and trade deals	Hearings on costs, refunds and deals; disapproval votes face a veto; Trade Powers Reform Act needs a signature	**Neal** (Ways & Means), **Wyden** (Finance)	The White House sets tariff rates through 2028; Congress oversees refunds, exclusions and deals

SECTOR · NEXT DEADLINE	EXECUTIVE CONTROLS	CONGRESS CAN	WHO DRIVES IT	LIKELY OUTCOME
Artificial intelligence **Jan 1, 2027** NY RAISE Act takes effect	DOJ joined xAI's suit against Colorado's AI law; the Dec 2025 order threatens BEAD funds; chip licenses deal by deal	A possible select committee on AI; no preemption without consumer protections	**Foster**, **Lieu** (pressing Jeffries for an AI panel); **Pallone**, **Cantwell**; **Sanders** (data-center moratorium)	Preemption stalls through 2028; state-by-state compliance and a possible federal kids' safety law
Telecom & devices **Mar 1, 2027** Router update waiver runs at least until then	FCC adds to the Covered List by agency action; approvals conditioned on U.S. production plans	Oversight of Chairman Carr; CATT Act (Guthrie–Pallone) would require notice and comment before listing	**Pallone** (E&C), **Cantwell** (Commerce), **Khanna** (China Select)	CATT-style process reform: listed companies get notice and a record, not an exemption
Housing & real estate **Jan 7, 2027** Investor ban starts	Fannie and Freddie moves through FHFA and Treasury; a possible housing emergency declaration	Testimony demands for FHFA Director Pulte; appropriations riders to block HUD time limits	**Waters** (Financial Services), **Warren** (Banking)	A second bipartisan supply package is plausible; any release of Fannie and Freddie is the flashpoint

What History Tells Us

History says the deals ride must-pass bills



Trump has never faced a Democratic Senate — 2019–20 was the House alone. The closer precedent is Bush in 2007–08: an unpopular war, a final-term president, a 51-seat Democratic Senate. What would be new in 2027 is a Senate that controls confirmations and puts war-powers resolutions on the President's desk without a Republican Senate to absorb them.

Lesson 1: deals ride must-pass bills. In both Congresses, the major bipartisan laws moved on funding, trade, war or crisis bills. In 2019–20 that meant USMCA (House 385–41), a budget and debt-limit deal, and COVID relief. In 2007–08 the minimum-wage increase rode the war funding bill, and the 2007 energy law, the 2008 stimulus, FISA and TARP still moved.

Lesson 2: oversight runs on court time. Subpoena fights take a year or more, and documents arrive late. In 2019–20 the fights took over a year to reach the Supreme Court (Mazars, 2020).

Lesson 3: war votes become veto votes. Both Congresses passed war limits; none survived a veto. In 2019–20 the Yemen and Iran war-powers resolutions were vetoed, and only 1 of Trump's 10 vetoes was overridden. In 2007–08 Bush vetoed an Iraq withdrawal timeline, and Democrats then funded the war without one; he issued 11 vetoes in those two years, 4 of them overridden.

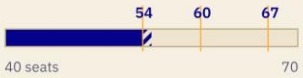
The Power Map

The Senate majority is the bigger prize

Sorted by how far Democrats can get on their own, the eight tools of a majority fall into three groups. The Senate is what changes the picture: it controls confirmations and ends the President's ability to move nominees and legislation on Republican votes alone.

War powers show the limits. Congress adopted a concurrent resolution on Iran on June 23, 2026 (House 215–208, Senate 50–48). It bypasses the President, but its binding force is disputed and untested in court (INS v. Chadha, 1983). Under the

WHERE THE VOTES RUN OUT



Democrats: 54 Senate seats (55 if they win Alaska)

54 Set the agenda; confirm, block or slow nominees

60 Pass bills past the filibuster: needs 6 Republicans

67 Override a veto or convict on impeachment

War Powers Resolution, forcing a withdrawal over a veto requires two-thirds of both chambers.

What Democrats can do alone.

ALONE → OUT OF REACH

CAN DO ALONE 3	NEEDS A DEAL 3	OUT OF REACH 2
Agenda and hearings Yes	**Appropriations** Only by deal	**Override a veto** Almost never
Subpoenas Yes, but slow	**Pass bills past filibuster** Rarely	**Impeach** Impeach, not convict
Block nominees Yes, a major lever	**End the Iran war** Vetoed or contested	

The New Leadership

Speaker Jeffries, Leader Schumer, and Schatz as heir apparent

HOUSE LEADERSHIP LADDER

SPEAKER
Hakeem Jeffries

MAJORITY LEADER
Katherine Clark

MAJORITY WHIP
Pete Aguilar

ASSISTANT SPEAKER
Joe Neguse

CAUCUS CHAIR
Ted Lieu

VICE CHAIR
Jacobs or Underwood
CONTESTED

Elections Nov 18–19 (expected) · Floor vote for Speaker Jan 3

Hakeem Jeffries is in line for the gavel and would be the first African American Speaker of the House of Representatives. He has promised a caucus united "right out of the gate" on a first-100-days agenda. No contest is expected for the top three posts: Jeffries for Speaker, **Katherine Clark** for majority leader and **Pete Aguilar** for majority whip, with **Joe Neguse** moving up to assistant speaker. **Ted Lieu** is expected to become caucus chair unopposed; **Sara Jacobs** and **Lauren Underwood** would compete for vice chair. Jeffries's real test is the Speaker vote on the House floor on January 3.

House Democrats are weighing leadership elections for November 18 or 19, at the end of orientation for new members. House Republicans vote November 10 and plan to fill committees after Thanksgiving.

Chuck Schumer says he is running for leader regardless of the outcome, and no sitting senator has launched a challenge, though several Democratic nominees have withheld support. **Brian Schatz** has locked up a majority of the caucus, with Schumer's backing, to succeed the retiring Dick Durbin as whip, which makes him the heir apparent. The wildcard is the freshman class, which may owe more to outside movements than to leadership. Senate leadership elections also take place after Election Day.

The Caucus Factor. Caucuses will help determine how the majority governs. New members, their priorities, and their caucus affiliations will shape the balance of power within Congress. Leadership controls the legislative calendar, but ideological and constituency-based caucuses influence which bills advance, how negotiations unfold and where compromise is possible.

House Democrats

- **Congressional Progressive Caucus (CPC):** the progressive wing, chaired by Rep. Greg Casar (D-TX).
- **New Democrat Coalition (NDC):** the center of the Democratic caucus, chaired by Rep. Brad Schneider (D-IL).
- **Blue Dog Coalition:** a smaller group of moderate and fiscally conservative Democrats, led by Reps. Marie Gluesenkamp Perez (D-WA), Vicente Gonzalez

(D-TX) and Lou Correa (D-CA).

- **Congressional Black Caucus (CBC):** focused on representation and economic opportunity, chaired by Rep. Yvette Clarke (D-NY).
- **Congressional Hispanic Caucus (CHC):** focused on immigration, economic opportunity and representation, chaired by Rep. Adriano Espaillat (D-NY), who is outgoing.
- **Congressional Asian Pacific American Caucus (CAPAC):** focused on economic opportunity and community priorities, chaired by Rep. Grace Meng (D-NY).

House Republicans

- **Republican Study Committee (RSC):** the conservative policy center, chaired by Rep. August Pfluger (R-TX).
- **House Freedom Caucus (HFC):** the hardline conservative wing, chaired by Rep. Andy Harris (R-MD), who is outgoing as chair.
- **Republican Main Street Caucus:** the pragmatic conservative wing, chaired by Rep. Mike Flood (R-NE).
- **Republican Governance Group (RGG):** the governing-oriented Republican wing, led by Rep. David Valadao (R-CA).

Bipartisan

- **Problem Solvers Caucus:** a bipartisan negotiating bloc, co-chaired by Reps. Brian Fitzpatrick (R-PA) and Tom Suozzi (D-NY).

The Agenda

Affordability first, accountability second

FIRST 100 HOURS

5	priorities
5	affordability working groups, each led by a centrist and a progressive

REALITY CHECK

Each of these can pass the House on a party-line vote. In the Senate it needs 6 Republicans to reach 60, then the President's signature. The Senate agenda will be shaped by whoever wins the leadership

Five working groups sit under priorities 1 and 2. Jeffries launched member-driven cost-of-living groups in June, each led by one centrist and one progressive, and each drafting a piece of the affordability bill. **Health care** (Sewell, Ocasio-Cortez): lower costs and expand access, with Neal and Pallone. **Housing** (Sykes, Friedman): lower rents, expand homeownership, speed construction. **Groceries and goods** (leads not yet public): drafting its piece of the affordability bill. **Gas and utilities** (Budzinski, Levin): a day-one agenda to cut gas and utility prices. **Caregiving** (McBride, McGarvey): the caucus' caregiving agenda for the next Congress.

Jeffries' first-100-days priorities. Launch planned for the first 100 hours after the new Congress is seated.

vote; Sanders (HELP) and Warren (Banking) will push the populist edge.

1	AFFORDABILITY	Reinstate the ACA premium tax credits that expired at the end of 2025
2	AFFORDABILITY	Reverse the Republican Medicaid cuts
3	WAR POWERS	Hold votes to end the Iran war
4	TRADE	Undo the President's tariff regime
5	ACCOUNTABILITY	Launch an anti-corruption oversight push on the administration

DGA expects the affordability frame to put companies in health care, housing, food and energy in the hearing spotlight.

Who Holds the Gavels

The chairs who would set the agenda

Who holds the gavels, issue by issue. Most House ranking members are in line; every Senate name is projected, since caucus votes on committee leaders happen in December. **Blue** = gavel still open or contested.

ISSUE	HOUSE	SENATE	WHAT DEMOCRATS WANT
Oversight	**Robert Garcia**, Oversight — Trump family, Epstein, subpoenas **Jamie Raskin**, Judiciary — DOJ oversight **Jim Himes**, Intelligence (select) — intelligence oversight; Speaker's appointment	**Sheldon Whitehouse**, Judiciary — DOJ, judicial nominations · **Open — Durbin retiring** **Mark Warner**, if reelected, Intelligence (select) — FISA 702, China tech	Trump family deals, Epstein and immigration enforcement; subpoenas planned for Stephen Miller (Garcia)
Health care	**Frank Pallone**, Energy & Commerce — Medicaid, ACA **Richard Neal**, Ways & Means — ACA credits	**Bernie Sanders**, HELP — drug prices, labor **Ron Wyden**, Finance — Medicaid **Kirsten Gillibrand**, Aging (special) — Social Security, long-term care	Day-one vote on the ACA credits; Medicaid rollback ready; release MFN deal terms (Warren, Wyden)
Energy	**Frank Pallone**, Energy & Commerce — data centers **Jared Huffman**, Natural Resources — public lands, permitting **Rick Larsen**, Transportation & Infrastructure — highway bill, FEMA reform	**Martin Heinrich**, Energy & Natural Resources — permitting, public lands, grid **Jeff Merkley** (likely) or Ed Markey, Environment & Public Works — permitting, highway bill · **Open — Whitehouse to Judiciary**	Lower power bills; data-center guardrails (Pallone); restore clean-energy credits (Schumer)
Defense	**Adam Smith**, Armed Services — Iran war costs, oversight **Gregory Meeks**, Foreign Affairs — Iran war powers	**Jack Reed**, Armed Services — NDAA, Iran war **Chris Coons** (probable), Foreign Relations — Iran, Israel oversight · **Open — Shaheen retiring**	Rein in the $1.5T request and Iran war costs; Reed held the NDAA over the war and toplines

ISSUE	HOUSE	SENATE	WHAT DEMOCRATS WANT
Technology	**Frank Pallone**, Energy & Commerce — AI **Zoe Lofgren**, Science, Space & Technology — NSF and NASA funding **Ro Khanna**, China (select) — China tech, critical minerals · **Unsettled — renewal not yet confirmed; the committee must be re-created by resolution**	**Maria Cantwell**, Commerce — AI, spectrum, aviation **Bernie Sanders**, HELP — AI	No AI preemption without consumer protections (Pallone, Cantwell); congressional review of chip licenses (AI Overwatch Act, 42–2 in committee)
Immigration	**Bennie Thompson**, Homeland Security — ICE oversight **Rosa DeLauro**, Appropriations — judicial warrants, no masks, visible ID	**Maggie Hassan**, Homeland Security & Gov. Affairs — DHS and ICE contracting · **Open — Peters retiring** **Patty Murray**, Appropriations — DHS funds	No new DHS money without changes to ICE conduct: judicial warrants, no masks, visible ID (Jeffries, DeLauro)
Agriculture	**Shontel Brown** (seeking) or Jim Costa (interested), Agriculture — food costs, USDA oversight · **Open — Craig leaving; chair not settled**	**Michael Bennet**; Cory Booker next, Agriculture — farm bill, SNAP · **Open — Klobuchar running for governor**	A two-year delay of the SNAP cost shift (Booker); farm programs lapsed Sept 30
Trade	**Richard Neal**, Ways & Means — tariffs	**Ron Wyden**, Finance — tariffs	Congress signs off on tariffs and trade deals (Wyden); hearings on costs, refunds and deals (Neal, Wyden)
Tax	**Richard Neal**, Ways & Means — ACA and energy credits	**Ron Wyden**, Finance — tax	Restore the expired ACA premium tax credits; restore clean-energy credits (Schumer)
Spending & finance	**Rosa DeLauro**, Appropriations — grants, impoundment fights **Brendan Boyle**, Budget — end debt-limit fights **Maxine Waters**, Financial Services — housing, CFPB, crypto · **Contested — Casten; Waters favored**	**Patty Murray**, Appropriations — FY2027–28 bills **Jeff Merkley**, unless he takes EPW, Budget — budget resolution, debt limit · **Unsettled** **Elizabeth Warren**, Banking — crypto, bank rules, housing	Fight impoundments (DeLauro); end debt-limit fights (Boyle); no presidential crypto profits (Warren)
Education & labor	**Bobby Scott**, Education & Workforce — labor, schools, student aid · **Contested — Hayes challenge**	**Bernie Sanders**, HELP — labor (see Health care)	**Why it matters:** Education & Workforce and HELP oversee the Labor Department's wage-and-hour, overtime, union and workplace-safety rules, retirement plans under ERISA, and student aid. With labor policy moving by agency action, these committees are where employers get hearings and letters on enforcement, joint-employer and independent-contractor standards, and apprenticeship and workforce programs.
Small business & veterans	**Sharice Davids** or **Gil Cisneros**, Small Business · **Open — Velázquez retiring** **Mark Takano**, Veterans' Affairs	**Ed Markey**, Small Business, unless he takes EPW **Richard Blumenthal**, Veterans' Affairs	**Why it matters:** Small Business oversees SBA lending (7(a), 504 and disaster loans) and federal contracting set-asides, the programs most small and mid-sized suppliers touch. Veterans' Affairs oversees the VA, one of the largest federal health systems and a major buyer of medical services, drugs and technology; its contracts and community-care spending are reviewed here.

The Calendar

The calendar: where the leverage lives. The December 11 deadline is set in law (P.L. 119-103); the debt-limit dates are a National Taxpayers Union projection (Aug 20, 2026): the federal government is likely to reach the statutory debt limit by May 2027 and the X-Date by February 2028, and Congress should plan to act by January 2028. The Bipartisan Policy Center's estimate falls between late summer 2027 and early 2028.

THE LAME DUCK	NEW CONGRESS	DEBT LIMIT	FY2028	X-DATE
Dec 11, 2026	**Jan 3, 2027**	**May 2027**	**Oct 1, 2027**	**Feb 2028**
Current stopgap and highway extension expire. The Republican Congress chooses full-year bills or another CR into 2027.	The 120th Congress convenes (the constitutional default date). Gavels and subpoena power change hands.	Projected date the statutory debt limit is reached; Treasury begins extraordinary measures.	First full funding cycle written by Democratic chairs; FY2028 NDAA in parallel.	Projected X-Date; Congress should plan to act by January 2028.

ALSO ON THE CALENDAR

Jan 1, 2027
Medicaid work requirements begin, barring state exemptions; dairy cliff

Jan 10, 2027
China trade truce expires

By Jul 1, 2027
Next USMCA review

Sep 2027
FDA drug and device user-fee bills due

The lame duck is the last Republican pen

The stopgap enacted September 2 (House 370–48, Senate 90–6) and the surface transportation extension both run to December 11. With only 3 of 12 FY2027 bills through the House, the likeliest outcome is a short CR into January or March 2027, or a hybrid package. **The lame duck is the last chance for a Republican-written FY2027;** if it ends in a short CR, the pen passes to DeLauro and Murray. After that, the leverage points are fixed: the statutory debt limit, set at $41.1 trillion under OBBBA, and the X-Date (when Treasury would run out of resources to pay all obligations on time), then FY2028 appropriations.

What past lame ducks delivered. When control of a chamber changes hands, the outgoing majority has often used its final weeks to lock in priorities it would lack the votes for in January. After Republicans won Congress in 1994, the Democratic lame duck approved the Uruguay Round trade agreements that created the World Trade Organization. After Democrats won Congress in 2006, Republicans cleared the U.S.–India civil nuclear deal and a tax-extenders and trade package, and the Senate confirmed Defense Secretary Robert Gates. The 2010 session, after Republicans won the House, was the most productive in modern memory: a two-year extension of the Bush tax cuts, repeal of "Don't Ask, Don't Tell," ratification of New START, the FDA food safety law and the Zadroga 9/11 health act. After Democrats won the House in 2018, Congress passed the First Step Act and a five-year farm bill; after Republicans won the House in 2022, it passed the Respect for Marriage Act, Electoral Count Act reform and a $1.7 trillion omnibus.

Spending is where lame ducks stall. The 2006 session ended in stopgaps and left nine spending bills to the new Democratic majority. In 2010 the omnibus collapsed and a stopgap ran to March 2011, setting up a near-shutdown that spring. In 2018 the session ended in the 35-day partial shutdown over border-wall funding, which the new Democratic House inherited. Only in 2022 did the outgoing majority finish full-year bills. DGA expects this lame duck to follow the pattern: standalone priorities move first; the remaining FY2027 bills likely slip into January or March under a short CR.

For President Trump

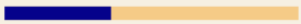
> *"It's a power of veto, it's one of the stronger powers that a president has, and they'll send over things that are insane, and I'll veto them. And after a couple of months of vetoes, they'll call and they'll say, 'How do we get this stuff done?'"* — President Trump

Trump moves from agenda-setter to defender

IRAN WAR COSTS (CBO)

$38B	to DoD through Aug 1
~$3B	added each month
$87.6B	supplemental requested, not enacted

JOB APPROVAL, POLL AVERAGE



36.2%	approve
61.3%	disapprove

DGA average of nine public trackers, Oct 22, 2026. Reuters/Ipsos 32% (Oct 26); Pew 30% (Sept 28–Oct 4).

DGA VIEW

Congress cannot end the war over a veto, but it controls the money. Supplementals, toplines and the NDAA are where it will bite.

What a Democratic Congress can do at home:

- **Investigate.** House committees can compel documents and testimony by subpoena. Garcia's priorities include Trump family business deals, the Epstein investigation and immigration enforcement; he wants the President to testify under oath.
- **Impeach.** The House can bring charges by a simple majority; removal takes 67 senators. Jeffries: Democrats "haven't ruled anything in, and we haven't ruled anything out." Cabinet officials are likelier targets.
- **Block nominees.** A Democratic Senate can refuse to vote on cabinet picks, judges and ambassadors. Expect more "acting" officials, people serving temporarily without Senate confirmation.

What he can still do on Iran without Congress:

- **Keep fighting.** The Constitution makes the President commander in chief (Article II), and presidents of both parties have used that power to wage war without a declaration. CBO: about $38B to DoD through Aug 1, rising about $3B a month.
- **Spend money already in hand.** The 2025 tax-and-spending law (OBBBA) gave DoD about $155B outside the normal budget, which it plans to spend in full in FY2026. DoD can also shift funds between accounts Congress has already approved.
- **Veto war limits.** Overriding a veto takes two-thirds of both chambers: 290 House votes and 67 senators.
- **Make deals.** Export licenses and tariff cuts traded for purchases, such as China's 25M tons of soybeans a year through 2028.

Where Congress can push back:

- **War-powers votes come in two kinds.** A *joint resolution* goes to the President, who can veto it. A *concurrent resolution* skips him. Congress adopted one on June 23 directing withdrawal (Senate 50–48), but the Supreme Court ruled in 1983 that Congress generally cannot bind the executive without sending a bill to the President, so its force is untested. A second one failed 49–50 on September 24.
- **Emergency war money.** The $87.6B supplemental, an extra spending bill outside the regular budget, has not passed. Democrats are likelier to shrink it or attach conditions than to reject it.
- **The defense total.** $350B of the $1.5T FY2027 request assumed another party-line budget bill like the 2025 law, which a Democratic Congress will not pass.
- **The annual defense bill (NDAA).** Congress has passed it every year for more than six decades, which makes it the natural place to attach China and war conditions.

Trade and Tariffs

Trade: Congress can hold hearings, not change tariffs

THE COURTS SO FAR

6–3	Supreme Court struck down the IEEPA tariffs (Feb 20)
$122B	in refunds certified as of Sept 11
May 7	Trade court ruled the Section 122 surcharge unlawful; appeal pending

DGA VIEW

The White House sets tariff rates through 2028. DGA expects Congress's role to be oversight of refunds, exclusions, and deals.

What the President can do without Congress:

- **Section 232 tariffs:** autos and parts at 25% (15% for the EU, Japan and Korea; 10% for the UK), patented drugs up to 100%, and lumber.
- **Generic drugs:** tariff announced Jul 21 — 0% until Jul 31, 2028, then 100%; no proclamation yet.
- **Section 301 tariffs:** since Jul 24, 10% on 19 economies (including the EU, Canada, Mexico and India) and 12.5% on 41 (including China).
- **Deals and truces:** the China framework, with the truce extended to Jan 10, 2027; USMCA now reviewed every year after the U.S. declined to extend on Jul 1.
- **Export licenses:** Nvidia H200 sales to China licensed with a 25% revenue share; Blackwell chips barred.

Where a Democratic Congress bites: hearings by Neal (Ways & Means) and Wyden (Finance) on costs, refunds and deals; disapproval votes that can pass both chambers and then face a veto, with repeal needing two-thirds; Wyden's Trade Powers Reform Act, which would make Congress sign off on tariffs and trade deals but still needs the President's signature; and Rep. Mast's (R-FL) AI Overwatch Act, advanced 42–2 in Foreign Affairs, which would give Congress review of chip licenses.

So far, **the courts are the real check.** The Supreme Court struck down the IEEPA tariffs 6–3 (Feb 20); about $122B in refunds had been certified as of Sept 11; the trade court ruled the Section 122 surcharge unlawful (May 7), with the appeal pending. Tariffs were rebuilt on Sections 232 and 301; expect the same approach elsewhere.

The Oversight Playbook

Oversight becomes the main event

THEMES DGA EXPECTS

Pricing | Contracts | China links

The headline probes. Democratic chairs have their targets: Trump family business deals, the Epstein investigation, White House ballroom funding and immigration enforcement. **Garcia** (Oversight) plans subpoenas for Stephen Miller and wants the President to testify under oath. **Raskin** (House Judiciary) and **Whitehouse** (Senate Judiciary) take DOJ oversight, Whitehouse with judicial nominations; **Smith** and **Reed** (Armed Services) take the cost of the Iran war. These draw coverage; for companies, the probes that follow matter more.

Beyond the headline probes. The most direct business exposure: MFN drug deals, where Democrats demand the terms and Warren and Wyden's bill would release them within 30 days; Warren's push (Banking) for SEC probes of World Liberty; and Senate Banking Democrats' demand that FHFA Director Pulte testify, possibly under subpoena.

Impeachment. The House impeaches by simple majority, but conviction takes 67 senators: 13 Republicans even with 54 Democratic seats. Jeffries wants investigations to run their course first, and Cabinet officials are likelier targets than the President. Support is growing to impeach Defense Secretary Hegseth over the Iran war, and Rep. Thomas Massie has vowed to force a vote when the

IMPEACHMENT MATH

218	House votes to impeach, a majority with every seat filled
67	Senate votes to convict
13	Republicans needed with 54 Democratic seats

THE CLOCK

Jan 3	Subpoena power changes hands
1 yr+	Typical subpoena fight; Mazars took over a year

WHAT IT MEANS FOR COMPANIES

Contempt citations against officials go nowhere, because DOJ decides whether to prosecute. Companies have no such shield: committees can subpoena them directly, as with Mazars and Deutsche Bank, and they cannot claim executive privilege. DGA expects 2027 to follow the 2019 pattern, with companies caught between a committee subpoena and an administration that would prefer they not comply.

House returns in November if Hegseth is still in office.

How the White House responds. Executive privilege over deal documents and resistance to Democratic subpoenas. Every recent president facing an opposition House has relied on the same tools: privilege, delay and the courts.

Trump, 2019–20: refuse, litigate, run out the clock. White House Counsel Pat Cipollone's October 8, 2019, letter refused cooperation with the impeachment inquiry, agencies withheld documents and witnesses, and the December 2019 impeachment charged obstruction of Congress. Don McGahn, subpoenaed in April 2019, testified only in June 2021, under a deal with the next administration. The House held Attorney General Barr and Commerce Secretary Ross in contempt in July 2019 over census documents; neither was prosecuted. Committees subpoenaed Trump's accountants (Mazars) and banks (Deutsche Bank, Capital One); he sued, and in July 2020 the Supreme Court set a new test for congressional demands for a president's records.

Obama, 2011–16: privilege, contempt, lawsuits. Obama claimed executive privilege over Fast and Furious documents in June 2012; Holder became the first sitting attorney general held in contempt; DOJ declined to prosecute. The House held IRS official Lois Lerner in contempt in 2014 over the screening of political groups and sued over Affordable Care Act payments. Blocked legislatively, Obama turned to his "pen and a phone."

Biden, 2023–24: cooperate selectively, hold the line on privilege. House Republicans formalized an impeachment inquiry in December 2023 and deposed Hunter Biden in February 2024; it ended without articles. Biden claimed privilege over audio of his Special Counsel Hur interview in May 2024; the House held Attorney General Garland in contempt that June; DOJ again declined to prosecute.

DGA Outlook through 2028

Two years of checks, then an open seat

A Democratic Congress can stop things, slow things and expose things; it cannot remake policy on its own. Through 2028, outcomes for companies turn on must-pass deadlines, oversight and executive action — and, by mid-2028, on the race to succeed President Trump.

The impacts, in brief.

- **Legislation narrows to must-pass bills.** FY2028 appropriations, the NDAA, FDA drug and device user fees (Sept 2027), the farm bill and the debt limit (projected X-Date February 2028) are where deals get made.
- **Oversight is the main exposure.** Pricing, contracts and China links draw letters, hearings and subpoenas; subpoena fights take a year or more.

THE ROAD TO 2029

Jan 22	2028: South Carolina opens the Democratic primaries
Mar 7	2028: Super Tuesday
Nov 7	2028: Election Day
Jan 20	2029: Inauguration

EARLY 2028 PRIMARY POLLING

33%	Vance (R)
23%	Rubio (R)
12%	Harris (D)
9%	Newsom (D)
7%	Buttigieg (D)
6%	Ocasio-Cortez (D)

New York Times/Siena, Oct 12–19, 2026, likely primary voters. Undecided: 26% (R), 45% (D). No major candidate has declared.

DGA VIEW

Through 2028, deadlines and executive action set the outcomes. The 2028 election decides which of today's executive actions last.

- **The Senate changes personnel.** Nominees slow and acting officials multiply, which shapes how agencies enforce.
- **Executive action stays the main policy risk.** Tariffs, agency rules, and FCC and Commerce listings move without Congress.

What DGA expects. These are DGA's judgments, not forecasts.

- **2027 opens with a funding fight.** If the lame duck ends in a short CR, the rest of FY2027 is written with Democratic chairs at the table, and DHS is the hardest bill.
- **One big deal, late.** The debt limit and FY2028 spending are likely to be settled together near the X-Date, with policy riders as the price.
- **A short list of bipartisan laws.** FDA user fees, permitting and ratepayer protections, a farm bill and a housing supply package are realistic; ACA credits and tariff limits are likelier to be traded or vetoed than enacted.
- **Vetoes rise; overrides stay rare.** War-powers and tariff resolutions reach the President's desk and stop there.
- **Oversight peaks in 2027.** By mid-2028 hearings turn into campaign messaging, and the legislative window closes.

A win is not a mandate. A pre-election NBC News poll had Democrats ahead 52%–45% on the generic ballot, yet only 29% of registered voters viewed the Democratic Party positively, against 38% for the Republican Party. Wary of overreading a win, as many in the party say they did after 2022, Democrats are leading with affordability rather than impeachment, and many top Democrats believe only a new presidential nominee can fully repair the party's brand (Axios).

The 2028 race. The White House is an open seat: the Constitution bars President Trump from a third term, though he has floated one. No major candidate in either party has declared. Vice President Vance leads Secretary of State Rubio among likely Republican primary voters, and Vance says he will decide after the midterms. The Democratic field is wide open, with no one above 12% and 45% undecided. The Democratic calendar opens in South Carolina on January 22, 2028; Super Tuesday is March 7.

SHOT

"No matter how good the president is, you lose because of the gasoline price. It's just the way it is."

— President Trump, election-night interview with Fox News, Nov. 3, 2026

CHASER

"You can't close the door when the walls caved in"

— Hunter/Weir *Jack Straw*

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