

D.C. DISPATCH

The midterms are almost here: We're gaming out the results

Transcript

COLIN WILHELM 0:06

Hi, everyone. Welcome to the D.C. Dispatch. This is Colin Wilhelm from the Legislative Affairs team in Grant Thornton's Washington National Tax Office. On today's episode, with congressional midterm elections fast approaching, our Legislative Affairs team lead, Storme Sixeas, and I speak to two veterans of national politics about how tariffs and the One Big Beautiful Bill Act have impacted this campaign cycle, as well as what's realistic if Democrats flip one or both chambers, and what chance Republicans have of defending their majorities in the House and Senate. Ashley Schapitl of TLG Communications and formerly the Deputy Assistant Secretary for Public Affairs at the U.S. Department of Treasury and Chief Communications Advisor for the Senate Finance Committee Democrats. She is also an ANC Commissioner here in D.C., which is a neighborhood-level elected official. And then Liam Donovan of Targeted Victory, as well as a former National Republican Senatorial Committee staffer and one of the deans of the political Twitter, a.k.a. X.com.

Ashley and Liam, thanks for joining us to chat about midterms and their impact on policy in D.C. Good to be here.

ASHLEY SCHAPITL and LIAM DONOVAN 01:15

Great to be here.

COLIN WILHELM 01:16

So, table-setting, what is the state of the campaign in your all's eyes? And, you know, where do midterms stand today?

LIAM DONOVAN 01:28

I get the first crack at this, man. I feel like my version of the story is tougher than Ashley's. I feel like she's got an advantage here. But I mean, I've lived and worked through good cycles and bad cycles for Republicans. I've actually worked on this particular map back in 2008. That was a rough cycle and it's looking pretty similar. And the real question is does the structure of this map, particularly in the Senate, but does the structure of this map and the durability of the lines in the House give an advantage to Republicans such that we can limit it to being a rough night rather than a catastrophic night? And, you know, I think I feel OK about that in the Senate. We're 20 some days out, but who's counting?

The best thing you can say from a Republican standpoint is there's such a chasm between, like, the swing states like North Carolina, which should be a pickup for Democrats, and the states they need to get to the majority because they need to get to four to get to that 51st seat. And that runs through deep-red Trump country, states that Donald Trump won by 12 or more points. They need to win at least two of those, perhaps three if they can't pick up Maine. And so that's the best story I can tell, but it is not a compelling one in terms of how the night's going to go for Republicans in a couple of weeks.

COLIN WILHELM 02:40

Yeah, whether or not that home field advantage might end up maybe saving a few seats.

LIAM DONOVAN 02:44

And the flip side of that is we're used to wave years associated in our heads with '94, with 2006, with 2010, with these big raw numbers, the, you know, 40, 50, 60 seats. And I think in terms of two facets to this, the baseline for Democrats is so high, they already have 215 seats. And so the raw shift, even on the best night, the biggest night for Democrats, probably won't be those gaudy sort of 60-vote numbers, just because that would be an unprecedented number by the end. So I think, you know, they should be happy with getting 25 seats, something like that. That would be a very,

very good night because you need to judge it not by the number of seats flipped, but by where that puts them. That puts them at 240. That is a historic night.

COLIN WILHELM 03:28

Yeah, the bar is already very high for them to meet that sort of like wave criteria. Ashley, what's your view?

ASHLEY SCHAPITL 03:36

Yeah, I was going to say, totally agree with Liam that like a 20- to 25-seat pickup is a very good night and have been feeling more optimistic about being able to reach that threshold, given some of the polling that we've seen over the last couple of weeks, particularly the president's plummeting approval numbers with Hispanic voters, with young voters. And I think that changes the dynamic in states like Texas, where even though the seats were redrawn mid-district, mid-redistricting period, that you have an opportunity to flip some of those seats that may not have been on the table, just given his falling through the floor with some of those key demographics.

COLIN WILHELM 04:15

What about the Senate? There's certainly, going into the cycle, there was a lot of skepticism that the Senate would even really be in play. It wasn't really seen that way. And now we're talking about states like Nebraska, Kansas, Iowa, really being, in some cases, rated toss-ups that were not expected to at all be that competitive this cycle. You know, what are the prospects for Democrats to actually flip the Senate and make this a ... not only a House majority for them, but have control of both chambers of Congress?

ASHLEY SCHAPITL 04:53

I feel that it's more likely than not, but we've see ... and I think there's reasons to feel that it's different this time around. But in previous cycles, we've seen this sort of general polling trajectory where, I mean, we saw this in 2020 with Sherrod Brown that he was like polling very well through the entire race and then ended up losing by eight. And so I think there's, you know, Democrats are trying not to get their hopes

up too much on some of these red-state seats where we've seen this trajectory in polling in these races before, even with very good candidates. But that being said, I feel like some of these seats will either be won by a hair or lost by a hair, and it's going to be very hard. I don't think anyone will have a very confident sense until the day of the election.

LIAM DONOVAN 05:32

I think if you told Democrats three months ago, six months ago, even weeks ago, that this is how things would feel ... I think it wouldn't have computed. I also think that leads to some level of mission creep and to the point where they could have an incredible night by any measure and it will feel like a disappointment.

But I think to Ashley's point, like the Republican version of the story is kind of bend, don't break. Like you could have a night that is 10, 11 points better for Democrats than 2024 was, and it would come up just shy of the four seats they need. That's what you have to hope as a Republican. That shouldn't feel like a disappointment, but like that's how it would read.

Yeah, I think the flip side is if, just to me, there's like a bimodal sort of proposition. Either they get the one seat in North Carolina, maybe a second in Maine, and they kind of fall shy. If they crack that next tier, which again is much more difficult, if they win in Iowa or Ohio or Texas, if they win any one of those, there's no reason that they couldn't win any of the others. So I think the logical proposition is there's a cascade effect where if they get four, they could get six, right? And it's much harder to imagine them getting three. I do not expect this to be like a 50-50 Senate. It's either going to be boom or bust.

ASHLEY SCHAPITL 07:05

Yeah. And I, think the ...

STORME SIXEAS 07:08

That's typically the way that those toss-ups fall, right? Like the toss-ups don't usually split down the middle.

LIAM DONOVAN 7:09

That's exactly right.

STORME SIXEAS 07:09

It's ... they mostly tend to go one way.

ASHLEY SCHAPITL 7:11

Yeah, yeah.

LIAM DONOVAN 07:12

And in part, I'm sorry, Ashley, in part that the reason for that is the toss-up column has crept toward a place that is deep, deep red. So like in 2010, I was at the NRSC, we had a great, great cycle, but like by the end, the toss-ups were Washington State, California. Like, yeah, those were disappointments, but like, of course, Obama went out there and in the same way, Trump is going to red states, going to Kansas, going to Alaska. They are, you know, likely to salvage those, but the fact that we're even talking about those is indicative of where the night's headed in the macro sense.

ASHLEY SCHAPITL 7:46

Yeah, the only thing I was going to add to that is I think the only ... the other wrinkle there that could cause some divergence is the candidate quality differences between those states. I mean, like I think people could envision a night where like James Talarico pulls it out, but like also Ashley Hinson does because she's just a better candidate. And so I think the candidate differential there could also have an impact and split those seats in a way we're not predicting.

STORME SIXEAS 08:20

After 2017, in the tax bill that Republicans did that year, they thought that they had learned some lessons on how to do things differently this time around and benefit from it more in the midterms. You know, front loading the changes, making sure that people felt the tax bill changes before the midterms.

Doesn't seem like that really worked out. Just even my ... anecdotally, I go around the country and I talk to, you know, my Uber drivers and I talk to people that I run into as I'm going out to visit clients. And there still doesn't seem to be this great awareness of the massive benefits that Republicans have been touting from OB3 last year. And what do you think, you know, what do you... is there anything that they could have done differently that would have made that impact a little different? Or is it just, what politicians think that they're projecting to the public just doesn't get felt quite as strongly out there in the field.

LIAM DONOVAN 09:27

I'd be interested to hear Ashley's answer, but I think you're exactly right in terms of the received wisdom of the experience of like doing it very late in 2017, you know, and the way it was structured, like, oh, maybe they just didn't know about it or it didn't have time to have these sort of effects. And flash forward, we're going to, we're going to, you know, change that by doing it earlier and let the ... you know ... I think whether it's too late or too early, like, having these things top of mind come November of an election year is just really, really tough one. And two, I don't think most voters are thinking or caring about policy. That's not what they're voting ... I'd love for them to, but I care about policy, but I am not indicative of most voters.

COLIN WILHELM 10:07

Pocketbook issues?

LIAM DONOVAN 10:09

Well, but it's the thing, like people, when they think about their pocketbook, they're not usually going to the polls to thank the politicians for, like ...

COLIN WILHELM 10:15

It's more of a negative.

LIAM DONOVAN 10:17

... I earned it. If bad things are happening, I'm looking ...

COLIN WILHELM 10:20

... for the more of a negative feedback loop.

LIAM DONOVAN 10:21

But I also think, like, and I don't want to, I don't want to steal, you know, where Ashley might take this, but I think if you didn't learn it in 2017, you should have learned it from the experience of watching Democrats put together this amazing bill they thought was going to ... they thought it was going to save them and nobody freaking cared. Like, like you, you have to ... and this is like the policy lesson for political professionals and for elected officials ... while you have the power, do the things you have the power to do because you believe them, because they, you think they will be good for the country. Do not expect electoral appreciation or success. Like that's not why you do these things. You take advantage while you can, not because it would be popular, but because it would be good.

ASHLEY SCHAPITL 11:02

Yes, couldn't agree more. I mean, this is all so much more dependent on the broader macroeconomic environment and political environment in the country. And do legislation because you think it's the right thing to do and will be good for the country in the long run. But no one should expect any political benefit from doing a piece of legislation. And I say that as someone who planned many, many events touring the country, visiting factories that were, like, being restarted thanks to the IRA. And like those were good things to do. I'm glad that we did them. It provided like real economic benefit to these communities, but like, I don't think it earned us a single vote.

And so I think you just need to like do the bills you think are good bills to do and will pay off in the long run for, like, the overall like economic fiscal benefits to the country. But like no one should think that they are winning a single vote passing a major bill.

LIAM DONOVAN 11:49

And I do think, you know, the same sorts of events that Ashley put on, you know, the Treasury team or, you know, the counterparts in this administration and this Congress are doing their best.

ASHLEY SCHAPITL 12:02

Yes.

LIAM DONOVAN 12:03

They can tell positive stories, you know, and I do think sort of leavening the TCJA extension policies with things like no tax ... whatever you think of the policies ... like no tax on tips, no tax on overtime, the super deduction for seniors, that kind of that is these are facially popular things and going and telling that story is, you know, should be good. But I think the killer is how are these things paid for? It arms Democrats with the talking points that they love more than anything, which is you just ripped, you know, healthcare from, you know, whomever vulnerable populations and stuff, so ... to the extent that you're able to get people to care and listen to you, there's a double edge to that sword that is, I think, gleefully being used by Democrats.

ASHLEY SCHAPITL 12:55

And then I think the other challenge here for Republicans is there were some new things that were included in the bill, but like a lot of it was just an extension of current policy. And so you were preventing a tax increase, but like other than the senior deduction ...

STORME SIXEAS 13:06

But you don't get credit for that.

ASHLEY SCHAPITL 13:07

... yeah, you don't get credit for extending current policy. To the degree you don't

get any credit for doing something new, you get even less credit for extending current policy.

LIAM DONOVAN 13:16

The one that nobody would have guessed, like, to the extent that I've heard anything in the last two weeks about OB3, is that I didn't even know. I thought I was there for it. I thought I lived it, but apparently they snuck in some data center tax break, which is like, speaking of, you know, extensions of current policy, like just 100% bonus pulled forward. Oh, that's now a "data center bailout" or what have you. So like no good deed goes unpunished, even just like the most prosaic kind of traditional Republican tax policy is now a special interest tax break. And, you know, can't argue with the headlines. And if you're explaining, "no, actually, this is just like normal treatment of capital expenditures," I think that's not apparently that the public doesn't want to hear that.

COLIN WILHELM 13:59

When you also had, like, you had the rural opportunity zone changes too, that where in 2025 that's seen as like you're bringing tech jobs to rural areas. But with the public sentiment around data centers shifting, like that kind of becomes another attack point potentially.

LIAM DONOVAN 14:16

At least on X.com, I think those have blended together because there was a screenshot of that early version of the bill that did use the phrase "data centers." And I think that's blended together with the fact that, yes, actually a lot of the capital investment that benefited from expensing was data center investment, because that's all we've been doing lately. But they've just turned it into this blob of like negative sentiment, so ...

COLIN WILHELM 14:40

Then you also have, I mean, you had this signature bill, but you also have another signature policy from the administration, which is tariffs. And, you know, you have

these kind of carrot provisions within OB3 for economic growth, of reshoring. You have a pretty major stick with these different tariffs. Do you think that maybe put some states into play that that wouldn't otherwise be part of the conversation?

LIAM DONOVAN 14:55

I think you can't explain the mood of the Midwest, I mean, that band of, you know, from Ohio to Iowa to Kansas, I mean, even down to Texas, like you can't separate that from the mood in farm country that is downstream from tariffs and the experience.

But if you think, like, in some ways, this is a replay of 2018 in the sense that like the trade war was bad for them then as well, but you had you know, the administration was working hard to like give direct supplements to the farmers and whatnot. I think there's been less care to do that this time. But you just can't separate it.

And then you throw on Iran and sort of the geopolitical impact on the energy markets and, I mean, yeah, there's a straight line to like, "wait, how much is diesel?" I mean, it's brutal. And I think it just ends up being this, all of the other things outside of like, and trying to say, well, the tax changes are, you know, pay attention to that, not all these other things. It's just a really tough sell.

ASHLEY SCHAPITL 16:16

Yeah. I mean, that's a lesson Democrats learned very well last time around when like we were trying to talk about the child tax credit and all the things that we had done in the American Rescue Plan and people were like, well, inflation's 8%.

COLIN WILHELM 16:29

Yeah, I mean, it's tough. The affordability conversation is one that's really tough for politicians to overcome. And certainly it's one of those things where all it takes is going to the grocery store or looking at gas prices when you fill up your tank to notice a change. Storme, you had another point to make?

STORME SIXEAS 16:50

Yeah, when we talk about tariffs, it feels like we're in the upside-down world where

Democrats traditionally were the ones who were more apt to talk about tariffs. And of course, when I came to Washington 25 years ago, the Republicans were the ones doing free trade agreements all over the place and trying to break down trade barriers. What is your sense of what Democrats would keep in place versus what they would want to get rid of, Ashley, if we're looking at tariffs in a world where Democrats do have levers of power back? I assume we're not going to see them all wiped out. You know, Biden kept a lot of the China tariffs. I'm presuming some of them were traditional tariffs, like maybe Section 232 tariffs that are related to specific products might be more amenable to Democrats than some of the broader ones. Is that ... does that jibe?

ASHLEY SCHAPITL 17:43

Yeah, I agree with that. I think like the China-centric things, the things designed to protect or protect American manufacturing ... I mean, you saw this during the Biden administration, the Biden administration was very supportive of tariffs on Chinese EVs. And so I think those types of things are more likely to stay. But the more broad based things that I think would have a more direct impact on affordability across the board are more likely to go.

But then one of the like general challenges you have on these issues legislating is you have parochial interests, Senators with lumber industries, like those are the types of things that scramble that conversation a little bit. But I think, in general, the China and more industrial-based manufacturing type stuff is more likely to stay, whereas the other broad-based things I would expect to go.

STORME SIXEAS 18:34

We might not be at trade war with Canada? Is that what you're saying? OK.

ASHLEY SCHAPITL 18:38

Yeah, yes.

COLIN WILHELM 18:42

Finally, I can buy my molasses again.

LIAM DONOVAN 18:47

But the other thing is, I mentioned the Midwest, but there's a bunch of states with races that touch Canada and have a significant, significant trade there.

COLIN WILHELM 18:54

Yeah, we saw this with the Mike Rogers ad the other day. We had the first kind of Senate candidate, Republican Senate candidate come out and say, "Hey, end the trade, like end this trade war with Canada." You know, another ...

STORME SIXEAS 19:08

Well, Susan Collins has been out there a bit too, right?

COLIN WILHELM 19:11

Yep. Yeah, basically distancing. That's a good point, Storme. Yeah, Susan Collins was probably the first out on this. But yeah, basically distancing from the president on this issue.

LIAM DONOVAN 19:20

I don't think the Mike Pence wing of the party is sort of like racing back anytime soon. But it has, it's led to an interesting shift in the coalitions where I think a lot of the sort of like, Romney-era, Bush-era, free-trade-minded erstwhile Republicans are like bulwark-reading based Democrats at this point. So I think there has been a shift that has shifted, changed things a little bit, but I think it is in some ways, these are a one-way ratchet. I think the complaints on my sense is ... the complaints on the left are largely about the way this has been administered and like the sort of the instability of it all rather than like tariffs as a tool not being, you know, good, good policy. So I think to Ashley's point, there will be efforts to rein some of them in, but these things are sticky, like in a lot of ways. Protectionism is a one-way ratchet that's difficult to pull back.

STORME SIXEAS 20:13

Is the revenue source also a tempting thing? I've got to imagine it's going to be difficult to say if tariffs are bringing in a lot of revenue and Democrats want to do new things that cost money, it's hard to give up a source of revenue.

LIAM DONOVAN 20:29

I think as a matter of political rhetoric, that'll factor in in a big way and make it more difficult to do it to the extent they want to. But like, just the way it functions, I don't know. I think what you're pointing to, I think is interesting in terms of whether we're going to get ... as the fiscal picture darkens and sort of debt balloons and interest rates are continuing to be high. Like at what point do we, do we ...

COLIN WILHELM 21:00

... does that start pulling more things off the shelf?

LIAM DONOVAN 21:03

Yeah. But like, I mean, I mean, Ashley knows, it's like, I think where revenue usually comes into play is in the legislative picture and like, can we do reconciliation? How do you offset things? And like, it's ... tariffs don't really ...

COLIN WILHELM 21:14

... they don't really factor into that. Yeah, unless you bake them into the legislation. But these have been done through executive order. So it's more rhetorical at this point.

LIAM DONOVAN 21:21

Yeah, that's right.

ASHLEY SCHAPITL 21:22

Yeah. Yeah, agreed. And I mean, the broader point though of like, I mean, you have the rate on T-bills above 5%, like aside from like getting enough pay-fors to get CBO and JCT to sign off on your legislation being deficit-reducing, which is the context in

which we're normally raising revenue, I think the general conditions brought by our current fiscal situation are going to start to bleed into the political conversation to a degree they haven't in the past. Because, I mean, mortgage rates, all of these things that are trickling down from the increase in fiscal pressures, I think that is going to drive the revenue conversation in a way that it hasn't for the last like 20 years, really.

COLIN WILHELM 22:09

We should be clear too, like for tariffs in particular, even if we do see both chambers flip, this Congress, or excuse me, this midterm for next Congress, you still have, you would have to have a veto-proof majority in order to undo any of the tariffs that have been put into place, which is two-thirds. So you'd have to get realistically, you know, a fair amount of Republicans to basically buck their own president in order to make any substantive changes there in the near-term. In, you know, 2029 and on, I think that's more of a live-fire exercise. But what do you guys, if let's say, you know, the odds hold and Democrats do flip the House, maybe flip the Senate. What do you expect the agenda to be from day one?

ASHLEY SCHAPITL 23:03

I would expect your day one bill is a healthcare bill to repeal the Medicaid cuts and or extend the ACA subsidies. I mean, the premiums in the ACA marketplaces have gone way up. Like, people are feeling cost pressures on healthcare that they have not felt for several years, given costs have been more stable the previous decade. And so I think you're doing healthcare bill on day one related to Medicaid or ACA or both.

And then I think, you know, everything will flow from there on the affordability front. But I think there, whereas on other issues, there's more internal division within the caucus on what to do on the affordability question, there is not on healthcare. And like a good example of that is energy costs and electricity, whereas healthcare, there's unanimity.

STORME SIXEAS 23:27

And you want to start off with something that everybody's marching in the same direction right before you get into the inter-party battles.

COLIN WILHELM 23:55

Yeah, a team-building exercise with a story to tell going forward. There's also, I know that there's legislation out there from like Ways and Means Democrats and a few other non-committee Democrats to like not only do that, but also it's a bit of a catch-all with restoring some of the Inflation Reduction Act, energy credit changes, a couple other things kind of ... maybe restoring status quo ante for IRA-related provisions and child tax credit refundability. Do you think that that ends up, you know, being part of the early packages as well? Or is it maybe, like you said, a little bit too much difference of opinion over what that should look like?

ASHLEY SCHAPITL 24:49

Yeah, I think ... I think there will be a little bit more division on some of the IRA provisions because I think having done the IRA and then feeling like you got no electoral benefit out of it and feeling like people ... that one of the critiques from voters in the 2024 election was that the party cares more about climate change than like how much it costs me to fill up my gas tank or how much it costs me to heat my house. There will just be more caution around doing a bunch of energy policy and how the party is talking about it compared to last term, compared to, you know, when we were passing the IRA in 2022.

COLIN WILHELM 25:34

Yeah, it makes sense.

ASHLEY SCHAPITL 25:35

I think similarly on child tax credit, everyone thought that what we had done in the child tax credit in the ARP was going to be this huge electoral boon. And you were, there was no way you were going to be able to not find bipartisan support to extend it because it was just going to be so life-changing in all of these families' lives. And then it just sort of came and went and so I don't think, I don't think the party has

aligned on prioritization broadly beyond healthcare where there is the strongest unanimity around Medicaid and ACA. But then also like trying to think through, even though I stand by my earlier point of you should just do legislation because you think it's good policy and the right thing to do and not count on this big electoral benefit, but thinking through like, well, you know, if we didn't get any benefit from doing the child tax credit politically, what do the voters actually want from us?

COLIN WILHELM 26:30

And yeah, what are other priorities that would maybe take precedent then?

LIAM DONOVAN 26:34

And if they don't care about the things you actually did, do they care about the things you're messaging on? I mean, that's like this, like, if “deliver-ism” doesn't work, “messaging-ism” is, you know, really sort of diminishing returns, but I think, as, and I listened with interest to everything Ashley says, because that's what I'm not well attuned with like what they'll prioritize. I think it's a big question for them.

But from the standpoint of like watching a bizarro post-Tea Party thing play out in my mind, I remember well when Republicans, majorities were like sent in with high expectations of the voters. And remember, the bigger the wave, the higher those expectations. And I think watching Hakeem Jeffries, a new leader coming in, a new leadership team coming in without the sort of, you know, deep well of goodwill and trust and standing from the caucus, how does he navigate this?

He doesn't really have any kind of relationship with the president in the way that, you know, Speaker Pelosi did or even Chuck Schumer did. So how they navigate just the basic blocking and tackling the government, think about it? We have to fund the government in December 11th. You'd imagine they'd kind of pooch-punt that into early year. I mean, that's the first real test.

Yeah, whatever HR 1 is, like, I mean, I'm so old, I remember, what, Ezra Klein writing last year that funding Donald Trump's government is complicity. Like, I don't know what changes. Like, is the incoming House majority going to write in, you know, in the Appropriations text that like, Mr. Trump has to do all these things that make the base

happy. Like I don't think so. It's just going to be a normal, either a full year CR (continuing resolution) or sort of like a normal omni(bus bill).

So I just feel like we're going to lurch from, you know, I mean, maybe I'm wrong and Dems just like produce the votes for these things. But it just seems to me that even keeping the lights on becomes a difficult proposition, one that tests the coalition. And I think from an early point, raises questions about, OK, we sent Democrats to Washington, and they're sending letters that are probably being ignored by the administration. There's going to be, early on, some frustrations about like, why don't you do something? Why don't ...

COLIN WILHELM 28:46

Why don't you fight harder?

LIAM DONOVAN 28:47

... why don't you fight harder? Do it harder?

I do think coming back and having already, you know, cloture teed up on BAAJA (Bipartisan American Affordability and Jobs Act) right, the permitting bill, like that'll be the test. Like this requires, this all requires like a trust fall among all parties. I mean, bicameral, you know, bipartisan, like trust in this administration to follow up on some of their side deals. So like, if there's a proving ground for how this could work in a very fraught way going forward, it requires the success of that legislation. If that falls apart, man, can you bar the door?

COLIN WILHELM 29:18

And this is legislation to basically make permitting for a variety of different projects from kind of traditional energy to alternative energy and other kind of infrastructure projects easier.

LIAM DONOVAN 29:29

That's exactly right. And not only that, but like the coalition is held together by certainty provisions whereby, you know, the gripes of, you know, past administrations where, whether it was Obama holding up the, and Biden holding up

the Keystone XL pipeline or Donald Trump, holding up wind projects, like the goal would be to end the ability of whether it's sort of frivolous litigation or bad faith executive action from holding up otherwise permanent projects. And so it takes trust, it takes good faith, and those things are in short supply. So I do think it's a down payment on that going forward if they can get it done.

COLIN WILHELM 30:15

Ashley, it sounded like you had something else you wanted to add?

ASHLEY SCHAPITL 30:18

Oh, I was just going to add that the degree of difficulty for Hakeem Jeffries is just much higher because Democrats like legislating in a way that Republicans generally do not. And this is not to say that no Republicans like doing legislation, but like, you know, everyone knows that like when a Republican trifecta comes in, they're doing their tax bill and that's their big item. And whereas like, as you all remember from the Build Back Better process, there were a dozen priorities that different factions in the caucus are fighting for. And so it just makes coalescing around asks on any particular bill much harder because there's like nothing Democratic members of Congress like more than getting their bills done.

And so, trying to figure out what the party asks are on those things is generally much more difficult than it is for a Republican leader because the subset of issues that Republicans feel strongly on legislating about is just smaller. Whereas Democrats come with their list of 100 priorities.

STORME SIXEAS 31:22

You got a big tent and a big list.

ASHLEY SCHAPITL 31:23

Yeah, a big tent and a big list. For sure.

STORME SIXEAS 31:26

What about are there are there areas where you can see the ability for Democrats to

get to President Trump and cut out congressional Republicans and try and get an agreement, or is that something that's going to piss off constituents too much to do that?

ASHLEY SCHAPITL 31:43

I think it's I think it's tough because in the way in the way that like in the first Trump administration, Nancy Pelosi and Steve Mnuchin were able to work out big budget deals that had a lot of Democratic asks in them. Like, I'm not sure who the facilitator of that deal is this time around. I don't know like whether Hakeem Jeffries is going to find his equivalent of Steve Mnuchin and be able to do a deal that you kind of present to the president on the one-yard line and get him to sign off on and get the caucus on board with. And so I think it's just harder to see how that type of like overarching big-budget deal with a bunch of priorities for both, for members of both parties like comes together this time around.

And as Liam was saying, like Nancy Pelosi had the gravitas to get something like that done. And I mean, we will see if Hakeem is able to do the same.

LIAM DONOVAN 32:34

Yeah, I don't think the leaders have the juice in either end, exactly to Ashley's point, like he doesn't have the standing with the administration or with the caucus in order to sort of be the intermediation. The people around the president, like the "Mnuchin-equivalents" are different.

And quite frankly, like think about the reason that dynamic worked and the reason that Donald Trump felt more comfortable at some level, like dealing with Pelosi and Chuck Schumer was, you know, there was a there was a sense throughout the first term and certainly the first two years that the agenda had been fully outsourced to Paul Ryan and Mitch McConnell. Think about the leadership in the Republican side right now. Like, both mean that the fundamentally the power dynamics of those chambers have inverted such that Donald Trump is the reason that the Speaker of the House is the Speaker of the House. He is the reason that the Senate Majority Leader is the Senate Majority Leader. So there's no longer like an end-around because they're taking their orders from the administration in many ways.

So whereas before like he could he could get one passed and actually like enjoy it at some level, like cutting those guys out at the knees. Like it's a fundamentally different dynamic this time. And as you were hinting at, Storme, I think the Democratic base that is sending a wave of Democratic cavalry members is probably not sending them there to, you know, be productive with Donald Trump's administration.

COLIN WILHELM 33:54

Yeah, some, I, there may be some DSA members who are not really enthusiastic about deal-making.

LIAM DONOVAN 34:02

But I do think the interesting thing, as I contradict myself entirely, like I do think the most interesting thing in politics for the last few years, but even going forward, is watching entrepreneurs, like legislative entrepreneurship among Republicans as they try to figure out what Trumpism without Trump looks like. You're getting these strange bedfellows coalitions of different members trying out different populist policy positions that sound as much like progressive Democrats as anything you've ever heard from the Republican side.

So I don't know those are things that can become law, but like if you're watching things that like, you know, listeners and, sort of, businesses should be paying attention to, it's probably that kind of stuff where you have legislative pushes bubbling up, and frankly, things that could happen through executive action, particularly with J.D. Vance and the administration. That's the interesting thing to keep an eye on.

COLIN WILHELM 34:51

Yeah, where you have more kind of, you almost have like a melting away of some of the ideology towards just like “make my prices lower” or “make my life a little bit easier” ...

LIAM DONOVAN 35:04

And in ways that are antagonistic toward business in many ways.

COLIN WILHELM 35:06

And yeah, like the pay, yeah, the pay for some of that stuff might be like proposing a corporate tax hike or, you know, other ways to basically like take money from somewhere else to offset the cost of doing something that's a little bit more populist.

ASHLEY SCHAPITL 35:24

And I was just going to add that I think this also makes the oversight conversation more complicated this time around, because like, oversight after the midterms in the first Trump administration was very focused on Trump and Russia, the Mueller investigation, like run emoluments run down the list of items. Whereas like this time around, I mean, you will certainly still see some of that, but the administration has already signaled that they're like not cooperating with any of these investigations. And given the broader concerns in the caucus about affordability, I think you will just see so much more oversight directed at the private sector. And like all of the various ways they are impacting affordability from the minds of members. And whether that's like smaller things like, you know, fees on your flights, like algorithmic pricing to the data center and electricity conversation. There's just going to be so much more oversight directed at the private sector given how members know that a lot of, I think, what they did in the first term on the Trump oversight stuff just like didn't result in much, given, you know, you were tied up in litigation for years trying to get people to testify. And so I think members think, rightly, that the private sector will be a more fruitful area for most of their oversight efforts.

COLIN WILHELM 36:43

I think we're entering into the lightning round here because we've covered a lot. So I guess some quick predictions. You know, what happens with the House and if Dems win, how many seats do you expect them to pick up?

ASHLEY SCHAPITL 37:02

I'm going to say 20.

LIAM DONOVAN 37:04

Took my answer. I am I completely I have not I have not gamed it out. My completely unscientific. I mean, OK, I'll think over under then. \$1.00.

ASHLEY SCHAPITL 37:14

Price is Right rules.

LIAM DONOVAN 37:16

Yeah, exactly. I think that's, I think that's a really good over under, um, and I, and I would just say if I, if I have to cheat to one side I guess I'll take the under with a very low sense of certainty.

And then what, Senate? I think the exuberance is getting a little bit over top. I think some of the numbers are a function of just Republicans having no interest in answering the phone and talking to pollsters. I think they will have a very good night, but I can see them coming up shy in the places they need to get the majority. So I'm going to make the bold and probably wrong stance. The Republicans keep the majority ... hold the Senate, and Democrats end up with a net of two.

ASHLEY SCHAPITL 38:13

I'm going to go four.

COLIN WILHELM 38:15

Storme, do you want to throw your hat in the ring or?

STORME SIXEAS 38:17

No, I'm going to leave it to our pundits to forecast that.

COLIN WILHELM 38:22

Okay. Sounds good. All right, Ashley, Liam, thank you so much for your time. I really enjoyed the conversation. And thanks for coming in and being on this episode of the D.C. Dispatch. Appreciate it.

STORME SIXEAS 38:38

Thanks so much.

ASHLEY SCHAPITL 38:39

Great.