



*This new series, written by Paul Frazer, the Canadian Chamber of Commerce’s Special Advisor on Canada-U.S. Relations, provides briefs on issues and events that have implications for Canadian businesses. Based in Washington, DC, Mr. Frazer has 10 years of experience and is a well-known and influential player in Canada-U.S. issues.*

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**A Balanced Approach to Congress: A Business Necessity**

It would be a mistake to presume that the November “mid-term” elections in the United States were a “winner takes all” event. Although in January 2011, the Republicans will take control of the lower Congressional chamber—the House of Representatives—the Democrats will have a majority (albeit diminished) in the U.S. Senate. Barack Obama continues to be president with veto power over legislation. It is critical to remember that every bill sent to the president for signature must pass by majority vote in each Congressional chamber.

Media headlines would have many believe, including Canadian business interests, that the Republicans are in full control of the agenda in Washington and that building relationships with Republican staff and Congressional leadership is where efforts should be honed. The legislative process requires a bill’s passage in each chamber and it is a given that unlike the Canadian system, party solidarity on every vote is not guaranteed. Therefore it is essential that strategy be focused on a more balanced approach—engaging both sides of the political aisle. Further, the Senate by its nature will be responsible for much of the deal-making on a variety of legislative issues; this is where bipartisan efforts remain the key to legislative success in the Senate.

In the U.S. House, chairs of important committees have been determined; these chairs very much will set the tone for how issues are addressed or ignored over the next two years. Michigan congressman Fred Upton, who will lead the powerful Energy & Commerce Committee, best summarized the legislative theme of the Republican-controlled House. Upton noted that his vision as chairman included an “agenda that focuses on cutting spending, removing the regulatory burden, restoring freedom, keeping government accountable through rigorous oversight, and jobs.” Affected by this philosophy will be issues such as international trade, manufacturing, telecommunications, technology, energy and climate.

While much has changed because of the November election, much will remain the same, particularly when it comes to the U.S. Senate and how it will mold the overall Congressional legislative agenda and outcomes. Given arcane procedural rules coupled with the closely-held Democratic majority, there will, by necessity, be much negotiation and compromise on issues to be tackled over the next two years. Bills related to energy and the environment as well as immigration will likely be major items debated over the next term. Addressing the impact of the growing deficits and debt will also be

at the forefront of political and policy discussions in this chamber. The Senate is where the deals will be made.

Canadian businesses with issues in play on Capitol Hill must bear in mind that the next race for president has already begun. Every vote by a Congressman and a Senator will be determined very much through the prism of the political variables leading to the November 2012 elections. Central to the potential success on advocating Canadian business interests will be the ability of Canadian firms to engage representatives in Washington, DC who understand the politics and nature of the U.S. Congress and that can effectively manage the two-party reality as it plays out in different ways in the House of Representatives and the Senate.

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