

A Panel of Journalists Looks at the Upcoming 2010 Elections

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Highlights from the Panel Discussion

President Obama's Future Program: *Mr. Halperin:* This President wants to get things done. That's why he's there. I'm no math genius, but I do own an abacus, and I can tell you: After Tuesday, come January, the only way to get things done is going to be with Republican votes. So I think he will triangulate in the sense that he will strike deals, or try to anyway, that are much more oriented towards John Boehner's view of the world than Henry Waxman's. But not because he's trying to do it to get reelected, but because if he wants to get progress on immigration, energy, education, deficit reduction, healthcare, Afghanistan, he's going to have to have a lot of votes from John Boehner's conference.

Which Republic Frontrunner Gets Biggest Boost from this Election: *Ms. Shipman:* Huckabee gets more of a boost....Sarah Palin, obviously. *Mr. VandeHei:* Haley Barbour was helped a lot....I don't know if being a fat, white Southern lobbyist is the best image for running for President, but...what he tells people is yes, that's true, but take a look at me versus all these other people. *Mr. Halperin:* Barbour, Governor Daniels, if he runs, Governor Palin, Newt Gingrich. *Ms. Shipman:* Romney...hasn't been helped by this cycle, necessarily. Just in terms of healthcare becoming such a big issue and his focus on healthcare in Massachusetts and a cooling, I think that what we saw in California – you know, the businessman or businesswoman is not necessarily the silver bullet anymore, I don't think, for Republicans.

Will Rahm Emanuel Become Mayor of Chicago: *Mr. Halperin:* It looks more and more likely every day as people drop out....there's only one or two people who are thinking about running who can beat him....Rahm is out there raising money like crazy.

Top Priority for the Obama Administration: *Ms. Shipman:* Economic policy is going to be key, because if they can't figure out how to turn the economy around, 2010 is going to look ugly for him whatever other legislative accomplishments or bipartisanship or anything else that's one on has happened, because I think that is what people are feeling. That is why you suddenly have the average Americans worrying about deficit spending, which really doesn't happen normally.....And it's not going to be easy.

What Republicans Will Do: *Ms. Shipman:* Take a stab at repealing healthcare. *Mr. VandeHei:* Have a symbolic vote on repealing healthcare, which will never go anywhere. But they have to

do it to placate the base. And they'll do a big spending-cut package. They have to do something to show that they got the message. Maybe they end up banning earmarks, at least for a short period of time, given Boehner's own personal position on this....

Big Task for Speaker Boehner: *Mr. VandeHei:* The big task for Boehner is going to be – and I think it comes up in early February – you have to raise the debt limit. And you're going to have all these candidates that are coming back from Washington, and all they talked about was debt and you can't keep government functioning unless you raise that debt limit and it's going to put them in a real bind and it's going – I think it's going to really test Boehner's leadership ability.

DAVID RUBENSTEIN: Welcome, everyone, to this luncheon at the Washington Fairmont Hotel. I'm David Rubenstein, President of The Economic Club of Washington. Today, we're going to discuss the elections. Let me introduce our panel.

On my right is Jim VandeHei. Jim is the co-founder of POLITICO and the executive editor of it. And Jim, previously, had been at *The Washington Post* and at *Roll Call* and really, I think, helped to change the way people look at politics because, by co-founding POLITICO, he's obviously made a major dent in the political news coverage and change our reading habits, probably. And we're very happy to have Jim here.

Claire Shipman is senior national correspondent for ABC News. She had previously been the White House correspondent at NBC News and, before that, spent a decade at CNN. And I think she'll be involved in the ABC election coverage tonight and tomorrow.

Mark Halperin is a senior political analyst at TIME Magazine. Among other things, he's the author or coauthor of *Game Change*, which is a book that I think many of us have read. And it was an extraordinary book about the election – the previous Presidential election. Mark has previously been at ABC News where he covered, I think, five Presidential elections. And so between them – Mark, Claire and Jim – we have an enormous amount of political talent.

So let me just get right into the first questions. Is there anybody on this panel who thinks that the Democrats will retain control of the House? Anybody?

CLAIRE SHIPMAN: No.

JIM VANDEHEI: Is there anybody in this room? [Pause.] [Laughter.]

MS. SHIPMAN: Yes. Exactly – [laughter].

MR. RUBENSTEIN: How many Democrats or how many seats do you think the Republicans will win. Mark, why don't you start – in the House?

MR. HALPERIN: Many, many. I think it will be at least 55 and I think it could be as many as 85. And anybody who tells you they know what the number is going to be between those I think is kidding you.

MR. RUBENSTEIN: Claire?

MS. SHIPMAN: Well, I'm going with 58 for no real reason other than that I think, like Mark, it's going to be somewhere in between the 50-to-75.

MR. RUBENSTEIN: Wow, okay. Jim?

MR. VANDEHEI: I'd be shocked if it's 85. Like everyone else, I think that Democrats lose a bunch. I think it's possible it could be lower than 50. The problem with anybody putting a specific number on it – even Charlie Cook and Stu, when these guys that are paid do it, is that there are so many races right now where Democratic polling has them at below 50%.

And you're talking up to like 97, 98 Democratic districts that we've been able to identify that are plausibly in play. That doesn't mean that they flip. But we're suddenly seeing these seats in Maine, Rhode Island, all over the place that are suddenly tighter than anyone ever imagined even a couple of weeks ago, which means, like, maybe 85, like, there's a gasp in the room.

I don't think it's inconceivable that it's much, much bigger both in the House and the Senate than anyone is anticipating mainly because – one thing has been true, starting – sometimes politics is not that difficult.

If you actually go back and look at the races in Virginia, in New Jersey, go through the special election in New York, look at the primary results, there's essentially been the exact same outcome in almost every single case: record-high conservative turnout, Independents moving away from Obama and Democrats to the Republican almost by 2-to-1, and Democratic turnout being lower than typical. If you apply that formula with this amount of volatility in the system, that's why 85 is not improbable.

MR. HALPERIN: And let me just say, different than a normal year. What would happen in a normal nonwave year – or not a category-six or -seven year – over this past weekend I would have had a different experience than I had this past weekend, which is talking to a lot of people doing House races on the Democratic side.

In a normal year, a lot of them would start to say – somewhat bluffing, but somewhat reality – we were over 50 in our poll; our absentee-ballot operation is really good. We had good energy at our events – none of that from Democrats this weekend. I didn't talk to a single Democratic consultant doing House races who said we're feeling really good and we have ourselves over 50.

The other thing is, with the exception of the New York statewide, there are no key statewide races where there are competitive house races, where Democrats are doing really well to probably take it. In fact, the opposite is true in places like Michigan, Pennsylvania, Ohio. You're seeing one or both at the top of ticket – Republicans moving out to substantial leads. And so it's going to make it even harder for Democratic House members to save themselves.

MR. RUBENSTEIN: Well, let me finish on the House for a moment. On the House, are there any prominent House Democrats that you think might lose their election?

MR. VANDEHEI: Well, I think there's a bunch. I think Jim Oberstar is the one that we've been looking at for the last couple of weeks, and nobody was thinking about him a couple months ago. He does a lot of fundraising and mostly none of it in his District. I don't think he did much preparation for the race, and now there's polling showing a tie, and he could easily lose that race.

MR. RUBENSTEIN: Anybody else?

MS. SHIPMAN: Well, John Spratt.

MR. VANDEHEI: Right. And I think people have anticipated that.

MR. RUBENSTEIN: Okay. I saw Barney Frank borrowed some money from his own account to lend himself money. Is that because he's in trouble or –

MR. HALPERIN: He would be the 86th to lose if he loses. [Laughter.]

MR. RUBENSTEIN: So you think he'll probably –

MR. HALPERIN: He's probably okay.

MR. RUBENSTEIN: So you think he'll win?

MR. HALPERIN: But he's having to work for it and they could lose. I mean, Jim's listed the states before. Democrats could lose. The Republicans have been shut out of Congressional seats with the exception of the two Maine Senators and Judd Gregg in New England. They could win a Massachusetts Senate seat. I don't think it'll be his.

MR. RUBENSTEIN: Let's suppose you're all correct and the House does go Republican. Do you think that Nancy Pelosi will stay as the leader of the Democrats? And if so, how long will she stay as leader – or not stay?

MS. SHIPMAN: I think she retires at six months.

MR. RUBENSTEIN: Six months?

MR. VANDEHEI: Well, she does what Denny Hastert did. I mean, I think she's now starting to tell people this – that she would make sure they'd be able to have a handoff to power. Don't underestimate, like, how much she actually controls among House Democrats. And then set the stage for there to be an orderly outflow of what happens in her own District.

MR. RUBENSTEIN: And would Steny Hoyer be her replacement? Is there any doubt about that?

MR. VANDEHEI: I don't think there is, mainly because he's going to win moderate Democrats. I think there are enough institutionalists that like him and I think that there are enough liberals that could, at least, live with him. I do think John Larson or somebody from the left will contemplate challenging him. And I think there's going to be – I mean, if Democrats lose 60, 70, 80 seats, all bets are off. You're going to have an entirely different complexion of the Democratic Party and you're going to have people that are furious and they're going to want to change. And is Steny Hoyer change? Not really.

MS. SHIPMAN: There's been some talk of people mounting a challenge to him. But I think the other reason people like him is that he's seen as somebody who effectively reaches out to the other side. And I do think that that's what will be on most Democratic minds at this point.

MR. HALPERIN: One of the big variables that none of us could speak to with any certainty is the dynamic that's going to exist between Congressional Republicans and the White House after substantial losses.

And will Hoyer be seen as a White House ally? And will that be the popular posture to have within the House caucus for someone running to be their leader? I suspect they will. I think the White House and Hoyer will stick together.

Pelosi, I think, will become critical of the White House. That would be something I would predict. But I think Hoyer will be seen as an ally to the White House and I think that will be seen as the popular position in the caucus.

MR. VANDEHEI: And one addendum to that is if you did have Hoyer as leader and you had Boehner as leader, that's a much different complexion for the leadership. You're going to have two people who I think, by their own constitution, tend to be more compromisers. They're not as radioactive as previous leaders. And I think it at least sets the stage for there to be the possibility of compromise.

Now, I think, the makeup of their own caucuses will make compromise virtually impossible. But at least at the leadership level, this is not Newt Gingrich and Nancy Pelosi.

MR. RUBENSTEIN: Is there any doubt that Boehner would be the speaker?

MR. VANDEHEI: No.

MS. SHIPMAN: No.

MR. RUBENSTEIN: There's no challenge to him? That's done? Okay. Let's go to the Senate. Is there anybody here who believes that the Republicans will gain control of the Senate?

MR. HALPERIN: If it's above 75 seats or above 68 seats, I think that it could be as high as 11 and, yes, they would take control. But they need to win two out of three of West Virginia, Washington, and California. The public polling and most of the private polling does not suggest

that will win even one of those three. But if there's a big enough wave to produce above 68 seats, I think they'll win two or maybe all three of them.

MS. SHIPMAN: I don't see it. But I agree and I think Washington State is the key. Patty Murray's seat is the key seat to watch.

MR. RUBENSTEIN: Okay. Jim?

MR. VANDEHEI: I'm in the same camp other than I would not be surprised at all if West Virginia went Republican and went Republican by four, five, six points.

MR. RUBENSTEIN: Now, I think since World War II, as I heard it yesterday on television – I think I have it right – whenever there's been a change in the House, there has always been a change in the Senate. So this would be the first time if it didn't change in the Senate that there hadn't been both Houses changing. So you think it's very likely for that historic reason that maybe the Senate will change?

MR. HALPERIN: I think this is the first time since World War II that Sharon Angle has been a candidate. I want to look that up to be sure but I think so. I mean, again, if there's a wave – there doesn't need to be a big-enough wave in the House for Republicans to take control there for there to be a big-enough wave to capture those last three Senate seats.

Senate races create their own weather. Senate incumbents, in particular, are more able to save themselves. I will say, a big factor to me is cap and trade and the vote they had to take in the House, which they didn't take in the Senate, that I think is a factor as well.

MS. SHIPMAN: And you may be looking at a lot of people – you know, looking at the “tea party” and Christine O'Donnell and saying, you know, we would have had the Senate so –

MR. RUBENSTEIN: Well, let's suppose all of you are correct and the Senate maybe goes Republican or maybe not but it's very close. And let's suppose the Democrats lose control of the House. What will the White House say the day after? Will it say they were misunderstood, it wasn't their policies, these were all local elections? Or will they say, yes, we have to change? What would you predict they'll say?

MR. HALPERIN: I think they will say the country wants change and the country wants us to work together and the country wants deficit reduction and so does the White House. And they'll say on these issues we can work together: immigration, energy, deficit reduction, job creation, Afghanistan, and healthcare implementation. And we're going to come up with ideas about how to reach out to Republicans to make those deals and try as much as possible to put the onus on Republicans to be specific, first, in November, December, and January before the President puts out a budget.

MR. RUBENSTEIN: Okay. Claire?

MS. SHIPMAN: I think we'll hear from the President very quickly. And I think he will say, I've heard what the American people said. They're looking for something different; we're listening. I think you'll see the Republican leadership in the White House very quickly.

And I don't think – unless they really haven't gotten the message about their communication – that'll you'll see a lot of, it wasn't really our fault; it was just bad communication and this whole economic mess wasn't our fault. I think you will see a focus on – an immediate focus on bipartisanship, at least verbally.

MR. RUBENSTEIN: Okay. Jim?

MR. VANDEHEI: I mean, to be honest, I could care less about what they say and actually, like, what they're going to do. And I don't know. There seems to be the conventional wisdom now, well, he'll do what Bill Clinton did and he'll sort of gravitate towards the middle. I do not think that's a foregone conclusion.

And the early signs are, at least on the staffing side, that, you know, he's bringing in David Plouffe and he's going to probably keep Peter Rouse, at least for a while. These aren't moves. He's not bringing in Duberstein. I don't see any moves to the center. I don't know if it's necessarily the way he wants to – or views his presidency.

And something stuck with me a couple of months ago that one of his top advisors said – and I think this is true – is that he's significantly more liberal than he actually thinks he is. And until he – [laughter] – until he reckons with that – I think until he reckons with that, it might make it harder for him then to try to actually move to the middle, because I think he would argue, I've been in the middle; look, liberals don't like what I did on healthcare –

MR. HALPERIN: They weren't enthusiastic about energy.

MR. RUBENSTEIN: So you don't see triangulation. You don't see any triangulation strategy –

MR. VANDEHEI: I mean, it's the obvious thing to do – would be like you're going to triangulate, you're going to try to do what Clinton did, you're going to move to the middle, win back Independents. I just don't know that that's how he sees politics, and I don't know that he's actually setting up a mechanism inside the White House to do that. It may be that he does, but I'm not in the camp that always – that's definitely how he handles – [inaudible, crosstalk] –

MS. SHIPMAN: I think that the thing that they will have to reckon with immediately is this issue of debt reduction, the deficit. I mean, the Commission, they're going to have those results in full. And I think what they do with that, and how quickly they essentially say, let's try to call that bluff; and say, this is what you were all talking about, fine, we're on board; let's do it.

And that will anger a lot of the President's own party. That would be a hard call, I think, for the White House to make, still to get tough on that. But it could be an obvious move with this new foil, the Republican Congress.

MR. HALPERIN: Triangulation is normally thought of as a way Bill Clinton got elected. I think the thing that is unfair to both Bill Clinton and this President is to underestimate how much they care about getting things done. Bill Clinton didn't want to pass welfare reform and balance the budget because he thought it would help him get reelected – although he did, he didn't think it would help him. He did it because he thought they were the right things to do; they were things he ran on.

This President wants to get things done. That's why he's there. And I'm no math genius, but I do own an abacus, and I can tell you: After Tuesday, come January, the only way to get things done is going to be with Republican votes.

So I think he will triangulate in the sense that he will strike deals, or try to anyway, that are much more oriented towards John Boehner's view of the world than Henry Waxman's. But not because he's trying to do it to get reelected, but because if he wants to get progress on immigration, energy, education, deficit reduction, healthcare, Afghanistan, he's going to have to have a lot of votes from John Boehner's conference.

MR. RUBENSTEIN: You would recommend that he bring in a Republican chief of staff?

MR. HALPERIN: Well, and a particular person that Jim mentioned earlier. As my gift to America to tell the President, make Ken Duberstein your chief of staff. Duberstein endorsed him in an election, he has great relations on Capitol Hill with both parties, and would send the right symbolic message. A little classier than bringing Dick Morrison, per se, to send that same – [laughter] – kind of message. But that's what the President needs to do.

I mean, this was alluded to before, and you all know this. I think the biggest crisis with the President is not with the "tea party" and it's not with people in our business; it's with the American business community. His popularity and the trust – the lack of trust – are extraordinary.

From CEOs to people in the real estate business and people owning pizza parlors, they do not think he understands how markets work. He must bring in someone – a chief of staff, someone to replace Larry Summers – who the business community can at least have a dialogue with again to say, okay, how are we going to implement healthcare? How are we going to do energy? How are we going to do deficit reduction in a way that business can feel like there's certainty? Dealing with the Bush tax cuts – everything he's got on his plate, with the possible exception of Afghanistan, involves needing the trust of the business community.

MS. SHIPMAN: Well, I was going to say, I think that Larry Summers' replacement is so crucial for them right now, and ordinarily it wouldn't be the –

MR. RUBENSTEIN: Right. Where does that stand?

MS. SHIPMAN: – job everybody's focused on. But, they need a face – I mean, they need so many things. And I think they're trying to, you know, get somebody who's going to fill all those bills, but they haven't been able to get that many people interested in the job.

MR. RUBENSTEIN: Well, Larry hasn't yet left, but they haven't seemed to be able to find the proverbial CEO female, so has that search ended? They're not looking for a female CEO anymore? They're looking for somebody else?

MR. VANDEHEI: [Inaudible, crosstalk] – slowed down because when Rahm was trying to move it quickly, when he left, they decided to slow it down and Rahm wanted to, I think, more formalize the process. I still think they're looking for the same thing; they need somebody to be a spokesperson on economic issues.

Just to amplify what Mark said, which I do think is, like, one of the most overlooked stories of this presidency, is that relationship with the business community. And it's not just the business community of the CEOs that were skeptical to begin with. There were a bunch of those; he's never really going to win them over. It's Democratic CEOs who supported him in the election who are privately – like, walk away from meetings with him not just feeling like his policies aren't there, but that he's not there.

And they have to – so whether you have a spokesperson or don't have a spokesperson, they have to change that reality. And I think if they can do that, it makes it a lot easier, then, to start talking about tax reform, corporate tax rates, and trade agreements. Then the stuff starts to come together, and that is where there is a lot of overlap with Republicans. We could go through each one of those. Getting there is much more difficult. But at least there's a consensus somewhere in there that they could –

MR. RUBENSTEIN: Speaking of changes, what Cabinet officers do you think will be leaving by the end of the year? Now that we're talking about people's careers, why don't we just go through the Cabinet officers and – [laughter] – see who's going to leave?

MR. HALPERIN: None who currently play any significant role, in part because it's so centralized in the White House. I think Secretary Gates is going to stay through at least next year, and maybe even beyond, and I think he's one of the most patriotic and self-sacrificing people we've seen in this country in my lifetime. But I think – so I think he's going to stay.

I think Salazar might go, and I think that, again, Vilsack might go. But these are not people who are playing a major role in our government.

MR. VANDEHEI: Locke at Commerce, potentially.

MR. HALPERIN: Locke.

MR. VANDEHEI: I disagree on one thing, Gates. I think Gates goes earlier next year and I do think that Hillary Clinton will make a serious consideration – [inaudible crosstalk] –

MR. HALPERIN: I just can't see him going until the – [inaudible]. Until Afghanistan is done, I just don't see him going.

MR. RUBENSTEIN: If you were advising the President – had been advising him six months ago or nine months ago, what would you have told him to do differently that might have saved the House for him or maybe saved the Senate? What could he have done, given how weak the economy turned out to be? Is there anything that he could have really done to change this tide?

MS. SHIPMAN: Well, I think there was a clear choice to focus on healthcare as opposed to the economy or jobs. I don't think, in the White House's defense, I don't think anybody knew when they took that on, how long it would take and how big it would become. And that was perhaps naïve.

And I think communication was something that, again, there's this sense now, this kind of, you know, looking back saying, well we didn't have the time. Axelrod suggesting that we didn't have enough time, we didn't have the platform, we couldn't get our message out – that's just unbelievable. Of course they could get their message out. And the problem was a – I think, is a President who isn't comfortable on some of these issues and the way they needed to be communicated. But I think an extreme focus on jobs and the economy would have made an enormous difference.

MR. VANDEHEI: You can't just go back six months. You have to go back much further than that because the change happened, basically, in June of last year – it changed decisively, and those numbers haven't moved since then.

He lost Independents. He went from having essentially a 15- to 20-point edge with Independents to having Republicans now have a 15- to 20-point edge on a lot of the big issues, and it was right when they started to talk about a big healthcare bill that could top a trillion dollars and they started to talk that there could be a vote in the House that eventually did take place in July on cap and trade. Those two things happened, those numbers locked in, they never changed and so I think you'd have to go back then, and, like, basically, like, figure out how could you have done healthcare in smaller pieces? Could you have put off cap and trade and done – there's so much in the energy bill that he could have gotten Republican votes on.

Healthcare probably couldn't get what Rahm wanted. Rahm was advocating a much smaller bill, try to take in some of these Republicans. Probably couldn't have gotten it at the end of the day. I don't think Republicans had any incentive to do anything to help Obama, but that might have at least sanded off the edge with Independents because I do think "tea parties" are the story of the election and the most fascinating thing in politics today. I don't know if they're as important as that swing of Independents.

MS. SHIPMAN: And one other thing that they've talked about, which might have helped is, you know, in the stimulus bill, this devastating poll number that, you know, 90% of Americans don't understand that there was a tax cut involved in the stimulus bill. You know, could they have separated out some of those pieces and been able to more successfully message around them?

MR. HALPERIN: I'll tick off four real quick, some of which have been mentioned. They shouldn't have done stimulus in a partisan way. To me, that's the biggest mistake of the

Administration by far, and it led to a lot of other problems. They should have done it bipartisan, and they could have.

Two, he should not have let Speaker Pelosi become the face of his agenda, because she's become extraordinarily unpopular. Three, they shouldn't have done the cap-and-trade vote in the House without a plan to actually get legislation. And the last thing is, every time he said, I'm going to play golf, they should have said, no, you're going to spend the day with a working family somewhere in the country.

MR. RUBENSTEIN: So you've thought about this, I guess. [Applause.]

MR. HALPERIN: I don't play golf, so I don't – I guess I don't totally appreciate why he made that choice every time.

MR. RUBENSTEIN: So okay, let's suppose for a moment what you say is true – what all of you say is true about the elections. What happens in a lame duck? Is there going to be a lame duck, and will it do anything?

MS. SHIPMAN: Could see some movement on the tax cuts. I mean, they should do that in the lame duck.

MR. RUBENSTEIN: On the tax cuts, who will blink first? If you could all answer – who will blink first? The President or the Republicans on terms of the upper-income tax cut preservation or – [inaudible, crosstalk] –

MR. HALPERIN: The President will blink either in the lame duck or in January, and if he's lucky, he'll get a fig leaf to cover his blinking.

MR. RUBENSTEIN: Okay. Well, a one-year tax cut, you would say, for everybody is the most likely?

MR. HALPERIN: Two years, and maybe three or even permanent on middle class is the best he can hope for, I think.

MR. RUBENSTEIN: And the deficit concerns? What about those?

MS. SHIPMAN: And also on tax cuts, I mean, they might be able to pull them apart and then try to get something, maybe a little bit more than a fig leaf in terms of – I don't know – some other economic agenda, jobs, something.

MR. RUBENSTEIN: Jim?

MR. VANDEHEI: I don't know if I entirely agree that Obama will be the one that will blink on this. I think it's, if you sort of game out each scenario, it's really hard to see who is going to blink in this.

Like essentially, Obama's going to have to break what was, you know, next to healthcare, maybe the promise he made most frequently on the campaign trail. And he's going to say, yes, now, I'm going to go an extend tax cuts, whether it's for a year or two years for everybody making over \$250,000, at a time when liberals are going to be outraged anyway, because he's going to be flirting rhetorically with Republicans.

That's a big task. He might do it and I think odds are, he probably does, and there's a one-year extension of everything, maybe in exchange for permanency on everything for people below \$250,000, but I do not think it's a slam-dunk that he does blink.

MR. RUBENSTEIN: Well, go back to the Cabinet for a moment. Gates – we should talk about him. Hillary Clinton – will she likely stay for the full four years in your view?

MR. HALPERIN: Whenever I'm asked that question in a public forum, I check to make sure she hasn't become the chancellor of the University of Iowa, so just give me a second. [Laughter, applause.] No, we're good. [Laughter.]

MR. RUBENSTEIN: No, okay, so?

MR. HALPERIN: I think she'll stay – she'll stay as long as the President wants her.

MR. RUBENSTEIN: Okay. Okay, but presumably, he'd want her for the full four years, right?

MR. HALPERIN: I think he'll want her for a while and I think if Gates leaves, I think he'll want her for that.

MR. RUBENSTEIN: Okay, but she won't be secretary of defense, right?

MR. HALPERIN: No, I think she will be if Gates leaves.

MR. RUBENSTEIN: Oh, really? Secretary of Defense, wow. Okay. Claire?

MS. SHIPMAN: Oh, I think she stays. I mean, she has a lot she wants to accomplish. I mean, she's been an effective Secretary of State but there are no high-profile achievements to date, and I think it's in her own interest to stay on.

MR. RUBENSTEIN: Okay. Jim?

MR. VANDEHEI: I think there's no chance that she becomes a Vice Presidential candidate. I think there's a high probability she becomes Defense Secretary sometime next year and I think there's a high probability that she runs in 2016.

MR. RUBENSTEIN: Okay. And so the switch between Biden and Hillary – no credence to that, no?

MR. HALPERIN: I think it could happen.

MR. RUBENSTEIN: You do?

MR. HALPERIN: Yeah. If Biden doesn't want to run in 2016 and she does, I think there's a chance it would happen. I think there are people around the President who think –

MR. RUBENSTEIN: I'm talking about 2012.

MR. HALPERIN: In 2010, no, I don't think she'll run in '12, but I think – I think –
[Cross talk.]

MR. HALPERIN: It happens in the summer of – or spring of 2012. I think you make a mistake – if having a Vice President without political ambition to run for President is a good thing, because you don't have the competing power centers in the White House. Vice President Biden at first said he wouldn't run in '16, but then he took that back through a spokesperson. And I think – I think –

MR. RUBENSTEIN: Who's the spokesperson for that man?

MR. HALPERIN: I don't remember. You leave a vacuum if you don't run for reelection with someone who's going to run the next time. And I think if she wants to run and I think she's more likely to want to run than Joe Biden is, then I think it makes some sense to have them switch jobs.

MR. RUBENSTEIN: Okay. For those that don't know, Jay Carney is the husband of Claire and he is the public relations person for the Vice President.

MR. HALPERIN: And he's the one who actually walked that back.

MR. RUBENSTEIN: Actually, you should be getting us the answer.

MS. SHIPMAN: I'll just stay out of this one. Thank you. [Laughter.]

MR. RUBENSTEIN: Let's go back to the Senate for a moment. In the Senate, if Reid were to lose, who would replace him as the leader of the party for Democrats?

MR. VANDEHEI: Obviously, I think it'd be between Schumer and Durbin and I think the money's on Schumer because I think he's even more ambitious than Durbin. I think because he was able show them how to win or help them win races in 2006, and they're going to have a terrible, terrible map.

I think people have not paid enough attention to this. The map for Democrats in the Senate is really 20 bad in 2012 that he'll make the argument; I've showed you how to win elections. I've showed you how to raise money, and never underestimate his ambition.

MR. RUBENSTEIN: And they're both still roommates, right?

MR. VANDEHEI: They are.

MS. SHIPMAN: I mean they're playing this so low key because nobody wants to do it in public. But Schumer has been – I think he's been organizing.

MR. HALPERIN: Oh, really? I thought he was sending money out to Senator Reid's camp.

MS. SHIPMAN: You can do both. [Laughter.] You can do both.

MR. HALPERIN: In Brooklyn, they call that multitasking. [Laughter.]

MR. RUBENSTEIN: What do they call it in Washington? I guess something else.

MR. HALPERIN: Hedging your bets.

MS. SHIPMAN: Smart.

MR. RUBENSTEIN: Right.

MR. HALPERIN: I'd be stunned if Schumer lost that contest.

MR. RUBENSTEIN: So let's go down a couple of the Senate races – some of them that got a lot of attention. Alaska may be the most interesting one, because you have a write-in candidate. What do you think's going to happen in Alaska, Senate race?

MR. HALPERIN: Not a normal state. It's like a small town, so this notion that people don't know she's going to be a write-in candidate's wrong. She ran a horrible nomination fight. She's run a great campaign as a write-in candidate. And I think she'll win and I think she might win easily enough that we don't have to wait three weeks to know.

MS. SHIPMAN: You do? You know, it's interesting because – and you've seen the latest news on the last-minute flood of write-in candidates that people have encouraged – a last-minute flood of write-in candidates to confuse the ballot and some of them have similar names so that it will be easier to challenge whose name is written in. I think she will win, but I don't think we'll know that quickly.

MR. RUBENSTEIN: Jim?

MR. VANDEHEI: I don't think it's a foregone conclusion that Miller can't win that race. I think polls tend to underestimate the final result for "tea party" candidates. I think there's a PPP poll out, maybe overnight, basically showing that he is winning, and I think their polling has been more accurate than anyone else's on this campaign cycle, because I think they do a better job of factoring in conservative turnout. So I think it's conceivable that he could win. I don't think there's any chance that Democrats win that seat.

MR. RUBENSTEIN: So Arkansas, that's decided, right? You think Blanche Lincoln cannot win?

MR. VANDEHEI: Even Terry McAuliffe thinks that one's decided. [Laughter.]

MR. HALPERIN: Although someone told me, a couple weeks ago, that President Clinton was like she can still do it. [Chuckles.]

MR. RUBENSTEIN: What about California? California – is that decided already?

MR. HALPERIN: I'll say 10th or 11th seat and if there's a national wave of you know, above 70 or so House races, I think Fiorina can win. Fiorina's going to benefit from all that Whitman money because Whitman's doing her best to turn out Republicans.

MR. RUBENSTEIN: But is Whitman going to benefit from giving – [Cross talk.]

MR. HALPERIN: No, no, that's like an in-kind contribution to her friend, Carly Fiorina. [Laughter.]

MR. RUBENSTEIN: So you agree with that or –

MR. VANDEHEI: Yeah, I mean, I think California's still California, even in a terrible year for –

MR. RUBENSTEIN: Colorado. That's very close. Buck or Bennet?

MR. VANDEHEI: I did do this Washington Post thing and we – Harris, my colleague, bullied me into taking Bennet, but I think that all close races go to Republicans at this point.

MS. SHIPMAN: Yeah. I think so too.

MR. RUBENSTEIN: So Republican. What about Connecticut? There, are the Democrats probably ahead in the Senate race?

MS. SHIPMAN: Yes.

MR. RUBENSTEIN: Nobody disagrees with that. Delaware. Anybody? [Laughter.]

MR. HALPERIN: Chris Coons is the luckiest man in American politics. He went from having no chance to win to being a shoe-in.

MR. VANDEHEI: That's an important point. It's really hard to think in history of similar circumstances, where you took a slam-dunk win, in the course of a night, turned into a slam-dunk loss for the party. Though I do think – like she gets – she gets criticized a ton. I actually think she's not been a terrible candidate.

She obviously had a little bit of baggage she had to deal with. [Laughter.] But if you watch her on the stump, she's actually a fairly effective politician. And often, I think, if you compared her to Sarah Palin, I think that she is probably more effective on TV talking about issues than Sarah Palin is.

MS. SHIPMAN: She is.

MR. VANDEHEI: It doesn't mean that she's going to win, but –

MS. SHIPMAN: She's charismatic. And what does she do next? That's what I'm interested in.

MR. VANDEHEI: She keeps on running. [Cross talk.]

MR. HALPERIN: She should ask Bill Maher for her slot back, because that cost her quite a bit and he needs her and she needs him.

MR. RUBENSTEIN: Speaking circuit, I guess. But Florida? Is Meek going to be dropping out? Or is he staying in or –

MR. VANDEHEI: He's not dropping out, but it'll be on the ballot, but I think his numbers could be depressed low enough, I think President Clinton executed something pretty smart there that he drops below double digits, the race could be close, but not close enough that outcomes just changed.

MR. RUBENSTEIN: You all agree with that? That's Rubio?

MS. SHIPMAN: Yeah, Rubio.

MR. RUBENSTEIN: Illinois?

MS. SHIPMAN: Ugly.

MR. RUBENSTEIN: Ugly? Is that on the ballot? I don't know. [Laughter.]

MS. SHIPMAN: Yes, I think ugly.

MR. RUBENSTEIN: Ugly. Okay, so Mark Kirk.

MS. SHIPMAN: Yeah.

MR. RUBENSTEIN: Okay. Kentucky. Is that decided?

MR. HALPERIN: Hail the Aqua Buddha. [Laughter.]

MR. RUBENSTEIN: Paul?

MR. HALPERIN: Paul.

MS. SHIPMAN: Paul.

MR. RUBENSTEIN: Okay. And let's see – Nevada, do you all have a common view on Nevada?

MS. SHIPMAN: I think that's too close right now.

MR. HALPERIN: I have no view.

MS. SHIPMAN: No view?

MR. VANDEHEI: I think Sharron Angle's going to somehow win that race.

MR. RUBENSTEIN: Okay.

MR. VANDEHEI: That debate was one of the great moments in this campaign. For those that didn't see it, go get your C-SPAN tape of it. It was amazing, because every time that it was clear how they were both coached and every time that Harry Reid got asked a question, it was clear it said, one thing, you've got to – you've got to take her seriously. So he'd have this look on his face, like I can't believe I'm standing on stage with this woman. [Laughter.] And then it said, well, at the end, you really have to show that you're likeable. So he'd end, he would say – and then they'd go – [laughter]. It was good stuff.

MR. HALPERIN: I'm down from New York staying in the Ritz-Carlton so I have to recuse myself from predicting.

MR. RUBENSTEIN: So, he was likeable enough.

MS. SHIPMAN: But the voters in Nevada are just tired of him.

MR. RUBENSTEIN: What about Pennsylvania? Is that decided? Who would you say? Mark?

MR. HALPERIN: I'd be stunned if Sestak won, but it's not impossible.

MR. RUBENSTEIN: Toomey. And Claire?

MS. SHIPMAN: Toomey, Toomey.

MR. VANDEHEI: I mean, it feels like Toomey, but I do think Pennsylvania – I wasn't surprised that it's close, because it does seem like the last three elections – [Cross talk.]

MR. HALPERIN: That's one where the Governor's – the Governor's race is really going to help Toomey because that's not close.

MR. RUBENSTEIN: Now, we have another expert on West Virginia here, but I'll defer, let you comment on West Virginia. What do you think is going to happen there?

MR. HALPERIN: That's a 10th seat and if you know, again, if there's a national wave, given it's a totally anti-Obama state, people seem very comfortable having the Governor who's popular stay as their governor and so you know, I think Manchin's the favorite, but if there's a wave, he'll lose.

MR. VANDEHEI: It's astounding, given he's favorable. He's at, what, 70% favorable and he could easily lose that race, given the demographics of West Virginia. I think – I don't think it's like a long shot the Republicans – I think it's a 50-50 chance Republicans can win that race and I think that Washington state's now 50-50.

MR. RUBENSTEIN: What about –

MS. SHIPMAN: You think Washington's 50-50?

MR. RUBENSTEIN: Washington state – let's go to that state.

MR. VANDEHEI: Yeah, I mean if every poll out there – I mean basically have shown it – the tight lead, we're talking again – the table earlier, I don't believe most individual polls. But if a bunch of polls say exactly the same thing, you can probably walk away thinking that's probably true. Basically, it's a very close race, and there's no reason, if turnout's high and we have that wave, that –

MR. RUBENSTEIN: Either of you have a different view?

MS. SHIPMAN: It'll be interesting – I think Patty Murray pulls it out – that it's just a terrific illustration of what's at work this year, because you know, she's campaigning on all of the things that she has brought to that state. And that, in this year, is a negative, because she seems the consummate insider for having, you know, gotten money for Washington.

MR. VANDEHEI: It's what made it so hard for a lot of these old-timers to run this time around, because all the tricks that they had for years and years, like I'm on Appropriations and I can dole out of pork and, boy, look at what I was able to do for the state.

All that of stuff, all of a sudden, became a curse, and you had someone like David Obey looking at his District, which he'd been able to win pretty easily for a bunch of elections and had a great perch of power, saying there's no way I'm going to get washed away because those things backfire.

MR. HALPERIN: One of the great –

MR. RUBENSTEIN: Mark, do you agree with that?

MR. HALPERIN: One of the great untold stories, I think, of this cycle, is the Democrats did what you normally try to do when you're anticipating a tough year, which is lobby your incumbents not to retire because incumbents generally do a better job.

In the House, in particular, where they voted on cap and trade, but with someone like Patty Murray, having the – keeping the incumbents to run again, I think it's going to hurt Democrats in some places because they have the baggage of Washington. They have the baggage of specific votes. They have the baggage of running as appropriators. I think if there's a wave, she will lose, as will Boxer and –

MR. RUBENSTEIN: One last state we didn't cover. Wisconsin – is that decided?

MR. HALPERIN: Yes.

MS. SHIPMAN: Yeah.

MR. HALPERIN: Johnson will win.

MR. RUBENSTEIN: You all agree with that?

MR. VANDEHEI: I spent some time there and I'm from there and it was, you know, if there's anybody who should be able to say, hey listen, I'm not part of the Washington crowd and I have stood up to my party, it's Russ Feingold. But that argument's been completely ineffectual in that state, and Johnson could end up winning that race by six, seven, eight points.

MR. RUBENSTEIN: Let me just switch to a couple Governors' races. In New York, any doubt about the winner in New York?

MR. HALPERIN: No, the rent is too high, but Cuomo will win. [Laughter.]

MR. RUBENSTEIN: And what about California?

MS. SHIPMAN: I think that the nanny situation really hurt her, the housekeeper situation. I mean it's an extraordinary amount of money – more money than anyone's ever spent.

MR. HALPERIN: Jerry Brown described how this race would play out nine months ago and he was 100% right and he is a genius. And if the C-SPAN camera weren't here, I would say that phrase with the Rahm F-insertion. He is a genius and he just knew that she, in the end, would spend all the money and drive up her own negatives, and he'd kill her with three ads at the end and it's exactly the way it happened.

MR. RUBENSTEIN: What about Ohio? Did the President have a big impact on that governor's race, do you think?

MS. SHIPMAN: Well, it's closing. It's tight and I think that – I'm from Ohio and Ohio constantly struggles with, you know, with red, blue, but there's, you know, Strickland has a great machine and this will be a real test, I think, of his organizational abilities in the very end.

MR. VANDEHEI: The one saving grace for Obama is if they can pull out Florida, can pull out Ohio, they'll get New York. I think they get California. At least he can point to the big states that are still under Democratic control.

MR. RUBENSTEIN: So the Florida – the Florida gubernatorial race, you think, will go Democratic?

MR. VANDEHEI: I mean again, I think it's a 50-50 proposition either way, but if it does go that way – I mean I think Obama's going to be looking for some silver lining, so he can try to find something that they can point to that, hey, it's not wasn't as bad as we thought it would be and that would be –

MS. SHIPMAN: We can still count on California. [Chuckles.]

MR. RUBENSTEIN: Okay. Okay. Let me switch back – the Simpson-Bowles report is due in December. Does anybody think it will be taken seriously and will actually affect anything? Or people think it will be like another series of commission reports which people don't pay attention to?

MR. HALPERIN: This is one where I think Rahm's departure is a really big deal, because he was stage managing it along with his close friend, Bruce Reed, who's a staff director there, so that they could try to massage the outcome of the report to dovetail with the election results to strengthen the President's hand for State of the Union and budget.

I just don't know that they're going to be able to get anything out of that commission in terms of the votes that are required for a majority plank in a report, unless the President quickly moves to take control of it and reach out to Republicans on deficit reduction. So whereas before, I thought it was going to be a big lever for them into January, now, I think it'll be stalemate.

MR. VANDEHEI: But even if they wanted it to be a lever, it was always set up in a way that's pretty hard for it to be effectual, because you need, what, 14 – 18 to get support for any of the individual provisions. And where I could set it up as if they do decide – I mean it doesn't take a rocket scientist to walk away from this campaign knowing you've got to focus on cutting spending somewhere.

If they don't do that, I think there's no way you're going to win back Independents. So it might at least set the stage for a couple of things he can start to talk about, whether it's tax reform, whether it's going after entitlements, which I don't think politicians have enough courage to do until they're forced to actually do it. But I think it will put some things on the table that will give them – that could set the stage, but I think the specifics of that won't –

MS. SHIPMAN: And again, I do think it would be a bold move. I don't know that it would be the right move, but for the Administration to use that as an opportunity to say, I've heard you, I've heard you, Republicans, yes. Let's do it and I'm challenging you now to work with me and do something.

MR. RUBENSTEIN: Okay. And let me ask you, right now, in your view, what Republican candidates for President in 2012 are going to be most helped by this election? Would you think someone's going to be helped more than anybody else, or who would you think are going to be the frontrunners for a Republican nomination in 2012 as a result of this, or does it make a difference what this election does?

MS. SHIPMAN: Well, clearly, the – you know, the candidates who've been working with or helped by the “tea party” will get something of a boost. I think Huckabee gets more of a boost than he would have. Sarah Palin, obviously.

MR. RUBENSTEIN: And you think Sarah Palin's really going to run for President?

MS. SHIPMAN: I don't know. I can't imagine she's spending all this time not planning to do something, but Jim has written about that recently.

MR. VANDEHEI: I have. I mean, I think a lot of people in Washington think she's going to run and that she could easily win the nomination. I think there are a lot of scenarios where she could. People scoff at her, but she definitely – no one can turn out voters, no one can ignite more controversy, more news than she can or raise more money potentially than she could, from at least the activist part of the party. So she comes – if she wins, she's a serious contender for it.

I think Haley Barbour was helped a lot by this. I think his leadership at the RGA, the amount of money that he raised just reinforced the belief among a lot of people in Washington that he's the smartest Republican strategist. I don't know if being a fat, white Southern lobbyist is the best image for running for President, but I do think – what he tells people is yes, that's true, but take a look at me versus all these other people.

Like there's no reason I'm not more qualified and I don't have fewer liabilities than they do. So I think he seriously wants to run, could run, and I think people underestimate how good he is on TV. And I think he could be a better candidate than people think.

MR. RUBENSTEIN: Mark?

MR. HALPERIN: I think there are seven people who can win the nomination today. I'm open to expanding it as people get in the race. I think the frontrunner today, the most likely nominee today is Romney. And that the people most likely to beat him would be Barbour, Governor Daniels if he runs, Governor Palin and Newt Gingrich.

MR. RUBENSTEIN: Okay.

MS. SHIPMAN: And I think – you know, he hasn't been helped by this cycle, necessarily. Just in terms of healthcare becoming such a big issue and his focus on healthcare in Massachusetts and a cooling, I think that what we saw in California – you know, the businessman or businesswoman is not necessarily the silver bullet anymore, I don't think, for Republicans.

QUESTIONS FROM THE FLOOR

MR. RUBENSTEIN: Right. We have ten minutes for questions from our guests. Just raise your hands and speak loud if you don't have a microphone. Go ahead.

QUESTIONER: [Inaudible, off mike] –

MR. RUBENSTEIN: Question is about the Blue Dogs, right?

MR. HALPERIN: Some leading ones are definitely going to lose, Eugene Taylor and a lot of others. There'll be some left and again, I think there's going to be a lot of interpersonal dramas playing out with political implications, one of which is within the Democratic caucus, in the House. What is their posture toward recovery for the next election? The Blue Dogs will argue we were too liberal and our recovery involves being more centrist.

They'll be fewer in number and therefore will have less leverage within the caucus. I think the question is, do they – do they, along with Hoyer, – build the relationship with the White House and I think may be a part of a voting coalition on some issues that involves a majority of the Republican Conference and the Blue Dogs on passing some things.

MR. VANDEHEI: It also depends on what happens right after the election. If you're John Conyers and you're 81, you're Louise Slaughter, who I think is 81, do you decide, like often happens in these cases, that you're just going to – you're going to retire fairly soon and you'd have really, not new leadership just at the top, but you could have new leadership at the committee level and that could set the stage for like a little bit of the rethinking about how Democrats position themselves.

I think the more interesting dynamic is going to be on the Senate Republican side. I don't know what the end number will be, but you'll probably have anywhere from five to eight or nine “tea party” candidates. And what's really different and unusual is that usually when someone's running for the Senate, they're coming here.

They have a specific set of issues that they want to work on, a committee assignment that they'd like. You talk to Ron Johnson, you talk to a lot of these “tea party” candidates; they're coming here to wage a philosophical war. They see themselves as messengers, not as legislators. And that's going to create a real bind for McConnell, and how do you work with them to bring them into your fold to be able to vote on different pieces of legislation?

One of the things they're talking about doing is trying to take someone like Coburn and bringing him into leadership – not through an elected leadership position but an appointed leadership position, so they have somebody that they feel that they have a good working

relationship with that can be, sort of, their outreach leader to the “tea party” candidates, because if they all come in and basically govern like Jim DeMint, it’s going to be very difficult for Mitch McConnell.

And what DeMint has shown is, you don’t really need Washington to build your own power base. You can essentially use the power of cable TV; you can use the power of the Internet and the power of activism inside the Republican Party to create your own power base. And I assume Paul and I assume Angle and some others will probably try to do the same thing, which would be a real – would cause difficulty for McConnell.

MR. RUBENSTEIN: And I forgot to ask you all, is Rahm Emanuel going to get elected Mayor of Chicago?

MR. HALPERIN: It looks more and more likely every day as people drop out. So yeah, I think there are only one or two people who are thinking about running who can beat him. What people haven’t focused on is the fundraising law in Chicago, in Illinois, changes on December 31st. It’s currently unlimited contributions. On December 31st, it changes. There are caps on individual and corporate donations.

Rahm is out there raising money like crazy. These other people are not, because they’re still deciding whether to run. He’s going to have a ton banked come December 31st and he’s going to receive the de facto endorsements of both our first and second African-American Presidents and that’s going to help him a lot too. That’s Bill Clinton and Barack Obama. [Laughter.]

MR. RUBENSTEIN: Anybody have a disagreement on that? Any other questions?

QUESTIONER: Yeah, earlier you mentioned that part of Obama’s challenge is that the business community is somewhat disaffected from him. But I’m curious, since they represent a very small fraction of the voting public, what is it that you think that the Obama team needs to do for the masses of people? And I would put it in either the emotional feelings camp or the substance of accomplishment camp to get his train back on the tracks before 2012.

MS. SHIPMAN: We were talking about this earlier – I think that economic policy is going to be key, because if they can’t figure out how to turn the economy around, 2012 is going to look ugly for him whatever other legislative accomplishments or bipartisanship or anything else that’s gone on has happened, because I think that is what people are feeling. That is why you suddenly have average Americans worrying about deficit spending, which really doesn’t happen normally, unless they themselves are feeling financially insecure. So I think that’s number one. And it’s not going to be easy.

And I think that they’ve got to figure out the communication message. I mean, just what Mark was talking about. I still don’t understand why he’s not – I mean, even when they try to get out there somehow with ordinary people or get him talking, relating, it doesn’t work. I don’t understand why Michelle Obama isn’t doing it more or is at his side on that message all the time.

And I don't know how you do that. Maybe you need a Ken Duberstein to say, you know, we're doing things differently. I don't know what the solution is.

MR. RUBENSTEIN: Changing his position on private-equity carried-interest taxation might be it. [Laughter.] Other questions?

QUESTIONER: Yes. Is there any chance that Obama gets challenged by the left in the 2012 primaries?

MR. VANDEHEI: We were talking about that before we went on. We don't think so, mainly because there's not an obvious person out there, because it would obviously be, I think, a challenge over the war or if he gravitated so far to the center that he alienated more than just the anti-war faction of the party. But, I mean, maybe Russ Feingold would be the only person out there that has any national standing or has any Washington standing.

MS. SHIPMAN: Or David mentioned Howard Dean which is –

MR. VANDEHEI: I'm skeptical that Howard Dean would do it. But I don't see that happening. I think they couldn't win and I think that's a big calculation. So if it's Kucinich and you're getting a percent I don't think that matters at all.

MR. RUBENSTEIN: Mark, do you have any –

MR. HALPERIN: I agree.

MR. RUBENSTEIN: One more question. We have time for one more question.

QUESTIONER: So what are the first things that Republicans are going to do – [inaudible]?

MR. RUBENSTEIN: The first three things that Republicans are going to do after they get control of the House –

MS. SHIPMAN: Well, I think they'll make a stab at repealing healthcare.

MR. RUBENSTEIN: Repealing or defunding?

MS. SHIPMAN: Some sort of vote on it.

MR. RUBENSTEIN: Defunding it or just not –

MS. SHIPMAN: I think they'll have to do some sort of pro forma vote to try to – I mean, obviously, it will be vetoed. It wouldn't make it to the Senate. But they will try to do something. I mean they can also – and effectively throughout the country, try to slow walk it in a lot of different ways too.

MR. VANDEHEI: I think they'll do two things simultaneously. They'll have a symbolic vote on repealing healthcare which will never go anywhere. But they have to do it to placate the base. And they'll do a big spending-cut package. They have to do something to show that they got the message.

Maybe they end up banning earmarks, at least for a short period of time, given Boehner's own personal position on this and the fact that I think more people are potentially open to it. And then I think they'll probably try to lay down a couple of markers of areas where they can work with Obama, because they know exactly how Obama is going to react to the results as well – so whether it's on trade.

The big task for Boehner is going to be – and I think it comes up in early February – is you have to raise the debt limit. And you're going to have all these candidates that are coming back from Washington and all they talked about was debt, and you can't keep government functioning unless you raise that debt limit, and it's going to put them in a real bind and it's going – I think it's going to really test Boehner's leadership ability.

Now, I think he'll be able to pull it off and he'll be able to convince them that they have to raise the debt limit. But I think it's much more difficult to work around that even for a short period of time than it would be the last time we had this showdown.

MR. RUBENSTEIN: Last question. What is going to be the biggest surprise tomorrow night? Mark?

MR. HALPERIN: I guess, given the conventional wisdom, I'd say Republicans taking control of the Senate. I'm not predicting it's going to happen but I think there's a decent chance, and that would be a surprise at this point.

MS. SHIPMAN: I agree and I guess I would say, you know, the California Senate seat or the Washington Senate seat going Republican.

MR. VANDEHEI: I have no clue because it's a surprise. [Laughter.] I mean, I think what maybe would be a shocker and would actually just prove what we all know that, basically, conventional wisdom in D.C. is always wrong, if Democrats somehow held the House. That would be a nice little shock there, wouldn't it? [Laughter.] You guys would want your money back, so – [laughter].

MR. RUBENSTEIN: Jim, Claire, and Mark: Thank you very much. We enjoyed it very much.

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