

# 2018 ELECTION OUTLOOK

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ENVIRONMENT



**Waxman**

# WHAT TO WATCH

## IN THE NEXT TWO WEEKS

With polls predicting a possible “blue wave”, the 2018 mid-term elections bring with them the potential to dramatically reshape the legislative landscape. For environmental issues, this means an opportunity to advance real policy solutions. But with a potentially divided Congress and an indifferent-to-hostile administration, what pro-environment policies will be on the table?

At Waxman Strategies, we are preparing and planning for the many possible outcomes of this election. Given the importance of this year’s election, we wanted to share some of our insights on the bellwether races to watch, what we are expecting could happen in the 116th Congress and the environmental policy issues we are following.





# THE RACES WE'RE FOLLOWING

We've selected five House races and five Senate races that we see as election night bellwethers. If the Democrats win the races lower on the lists, it may indicate a "blue wave."

## REPUBLICAN HOLD

### HOUSE RACES TO WATCH

#### IA-1: Rod Blum (R) v. Abby Finkenauer (D)

- Abby Finkenauer is an Iowa State Representative
- 2016 Presidential: Trump +3.5%
- 2016 House: Blum +7.7%
- Cook: Lean Dem • FiveThirtyEight: Solid Dem

#### CO-6: Mike Coffman (R) v. Jason Crow (D)

- Jason Crow is an attorney and former Army Ranger
- 2016 Presidential: Clinton +9%
- 2016 House: Coffman +8.3%
- Cook: Lean Dem • FiveThirtyEight: Likely Dem

#### NJ-7: Leonard Lance (R) v. Tom Malinowski (D)

- Tom Malinowski is a former State Department official
- 2016 Presidential: Clinton +1.1%
- 2016 House: Lance +11%
- Cook: Toss-Up • FiveThirtyEight: Lean Dem

#### FL-26: Carlos Curbelo (R)

##### v. Debbie Mucarsel-Powell (D)

- Debbie Mucarsel-Powell is a non-profit organizer
- 2016 Presidential: Clinton +16.3%
- 2016 House: Curbelo +10.8%
- Cook: Toss-Up • FiveThirtyEight: Toss Up

#### TX-7: John Culberson (R)

##### v. Lizzie Pannill Fletcher (D)

- Lizzie Pannill Fletcher is an attorney
- 2016 Presidential: Clinton +1.4%
- 2016 House: Culberson +12.4%
- Cook: Toss-Up • FiveThirtyEight: Toss-Up

### SENATE RACES TO WATCH

#### NJ-Sen: Bob Menendez (D) v. Bob Hugin (R)

- Bob Hugin is former CEO of Celgene
- 2016 Presidential: Clinton +14%
- 2012 Senate: Menendez +19.5%
- Cook: Lean Dem • FiveThirtyEight: Likely Dem

#### FL-Sen: Bill Nelson (D) v. Rick Scott (R)

- Rick Scott is the current Governor
- 2016 Presidential: Trump +1.2%
- 2012 Senate: Nelson +13%
- Cook: Toss-Up • FiveThirtyEight: Lean Dem

#### MO-Sen: Claire McCaskill (D)

##### v. Josh Hawley (R)

- Josh Hawley is the State Attorney General
- 2016 Presidential: Trump +18.5%
- 2012 Senate: McCaskill +15.7%
- Cook: Toss-Up • FiveThirtyEight: Lean Dem

#### TN-Sen: Marsha Blackburn (R)

##### v. Phil Bredesen (D)

- Blackburn represents TN in the House
- Bredesen is the former Governor
- 2016 Presidential: Trump +26%
- 2012 Senate: Corker +34.5%
- Cook: Toss-Up • FiveThirtyEight: Likely Rep

#### TX-Sen: Ted Cruz (R) v. Beto O'Rourke (D)

- Beto O'Rourke represents TX in the House
- 2016 Presidential: Trump +9%
- 2012 Senate: Cruz +16.1%
- Cook: Toss-Up • FiveThirtyEight: Likely Rep

## DEMOCRATIC WAVE

# WHAT WE MAY EXPECT

## FROM THE 116<sup>TH</sup> CONGRESS

**Three potential scenarios** could play out following the results on Election Day. This is our assessment of how the various scenarios could set the environmental policy agenda for the 116th Congress.

**1**

### REPUBLICANS RETAIN BOTH CHAMBERS

- In this scenario, Republicans will almost certainly continue their march toward weakening and overturning environmental standards.
- Republicans may continue to seek “reforms” to the Endangered Species Act that cap the cost of species protection; they may also seek to limit the scope of the Antiquities Act, which gives presidents the power to establish national monuments.
- Republicans will likely resurrect an infrastructure bill, which is expected to ignore and waive environmental standards for new construction and the potential for clean energy projects.
- In better news, a small set of Congressional Republicans is advocating for climate legislation. Although many observers remain skeptical about whether there is a real commitment of more than half a dozen Republicans to act on climate change, amplifying and supporting these efforts can set the stage for climate action after 2020.

**2**

### DEMOCRATIC HOUSE, REPUBLICAN SENATE

- With a split Congress, Democratic legislative ambitions might be limited, as any pro-environment policy would need to garner bipartisan support to pass the Senate. In this scenario, Democratic leadership may focus on setting up issues for the next election.
- There will almost certainly be a flurry of climate-related bills introduced from Democrats, but these are not likely to be brought to the House floor for an actual vote.
- A Democratic House would be likely to propose a massive infrastructure bill that includes funding for energy efficiency and incentives for clean energy.
- Democrats may also tackle a national clean energy standard, a business-friendly policy with significant Republican support. They will look to reauthorize the farm bill and ocean fisheries legislation that maintains scientific basis for sustainable catch limits.
- In this scenario, the House would have the opportunity to hold oversight hearings and investigate important environmental issues. Committees are planning for this to occur and developing strategies for the first 100 days and beyond. These will focus on highlighting issues related to corruption, the lack of scientific basis for rollbacks and the failure to protect public health.

**3**

### DEMOCRATIC HOUSE AND SENATE

- In this case, Congress would be almost certain to take up environmental issues like green infrastructure, clean energy, and oversight and investigations of the EPA.
- This is the most unpredictable scenario, with Democrats potentially working with the White House on compromise legislation or passing bold measures – including potentially climate legislation – that face veto threats in order to set the stage for 2020.
- In this scenario, there is a possibility that small scale, targeted legislation could be passed on a bi-partisan basis and signed into law by the president, but such legislation would likely need to have significant industry or business support or acquiescence.

# ENVIRONMENTAL POLICY

## ISSUES WE ARE WATCHING

Waxman Strategies' environmental team is closely monitoring a number of issues that are likely to come up in the 116th Congress including:

### **GREEN INFRASTRUCTURE**

Both parties agree that America's infrastructure is crumbling. But Republicans want to double down on a package that is more appropriate for 1950: more roads and fossil fuel infrastructure with limited environmental planning and review, all mostly funded by the states. A Democrat-led, bipartisan infrastructure bill more suited to a sustainable future could pave the way for increased clean energy, dramatically improved energy efficiency, mass transit and walkable neighborhoods, and highway and bridge repairs.

### **A CLEAN ENERGY STANDARD THAT EVERYONE CAN LOVE...**

California is already committed to sourcing 100% clean energy. States as diverse as Iowa, New Jersey, Alaska, California, and Texas have clean energy goals. There are five times more people employed in solar energy than there are in coal. A business-friendly clean energy standard could unlock badly-needed investment and jobs in rural America and combat the global threat of climate change – though likely Republican backers wouldn't tout this last point.

### **...AND ENERGY INCENTIVES THAT ONLY SOME DO**

A different approach is a package of policies that would aid nuclear power, carbon capture and sequestration technologies, and hydropower. Although many in the environmental and Democratic party favor greener solutions, there's some support for these emission-free technologies. A set of tax incentives, research dollars and other supports might give these options new life.

## **CLIMATE CHANGE**

The House of Representatives passed a climate change bill in 2009, only to see it wither and die in the Senate. But after a decade of misinformation campaigns and right-wing hysteria over the prospect of putting a price on carbon, flowers are beginning to poke the broken concrete of Republican climate denial. Former Republican leaders are agitating for action, and current Republican members, led by Carlos Curbelo of Florida, have proposed a carbon tax. However, with only half a dozen Republican members committed to climate legislation, significant bipartisan cooperation is unlikely.

Democratic leadership would be wise to foster cooperation and show their base that they have the political will to tackle one of the most pressing issues of our time. There are many places Congress could start, including oversight and investigation of the Paris Agreement withdrawal, the Clean Power Plan repeal and the muzzling of federal climate science. Congress could also investigate oil and gas companies in the same way that it scrutinized the tobacco industry through congressional hearings.

## **ROLLBACKS OF BASIC PUBLIC HEALTH PROTECTIONS AND SUBSIDIES FOR POLLUTING INDUSTRIES**

In the event that the Democrats gain control of a chamber, it is likely that a good deal of attention will be paid to oversight of recent environmental rollbacks, including the repeal of the Clean Power Plan, weakening of CAFE standards, and alteration of methane rules for oil and gas production. On air pollution, repeal/relaxation of the mercury rule, new source review and toxics rules, including the “once in always in” policy, would be a major focus. On toxics and drinking water, issues such as the “PFAS” requirements for drinking water will come under attention.

In addition, an overall backdrop of mismanagement, corruption, attacks on science and workforce reduction activities will continue to be an area for focus and press attention. Issues such as the industry-sought coal and nuclear bailout rule will be brought to the forefront. A challenge may be how to pursue these issues while still maintaining a spirit of bipartisanship with regard to desirable policies on infrastructure, clean energy and climate change.

## WE'RE ALSO TRACKING:

- **Bioenergy:** Scientific calls to back away from biofuel and biomass production are deafening. And the boondoggle that is the Renewable Fuel Standard is not working for anyone except for Big Corn and its supporters in Congress. Will new legislation reshaping the RFS into an truly pro-environment law get a hearing?
- **Wildlife:** Democrats have an opportunity to stop Republican efforts to chip away and even gut the Endangered Species Act. Keeping this bedrock protection in place should be a top priority.
- **Fisheries:** In 2018 the House of Representatives gutted our successful fisheries conservation law. Democrats will likely go back to the drawing board now.
- **Forest Financing:** It's an unfortunate fact that around the world, most forests are worth more dead than alive. New agricultural production, cattle ranching and other uses are eating up these critical carbon sinks. But new, innovative government-led financing mechanisms are connecting companies that need to offset emissions to land-owners who need to turn a profit. Including this provision in a clean energy or climate package could provide a cheap, effective climate solution.

## KEY DATES

<b>NOVEMBER 6</b>	Election Day
<b>NOVEMBER 27</b>	Runoff date for Mississippi Senate Special Election (if needed)
<b>DECEMBER 5</b>	House Democratic Caucus Organizational Meetings Begin; Leadership elections; Possible committee leadership decisions.
<b>JANUARY 3</b>	New House and Senate Members are sworn in
<b>REST OF JANUARY</b>	Final committee assignments/ Subcommittee leadership decisions likely made.



# Waxman

| OUTCOMES THAT MATTER |

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