



# The U.S. Elections in November and Implications for the Energy Sector

The Energy Forum Virtual Event, September 8<sup>th</sup>, 2020

# About David Flaherty



- David Flaherty is the CEO and Founder of Magellan Strategies, a public opinion research and data consulting firm based in Colorado.
- His 28-year career has been spent interviewing, studying and measuring voter opinion and behavior since 1992. He is a national Republican pollster, predictive data modeler and a redistricting expert working with candidates and conservative organizations across the country.
- Prior to forming Magellan Strategies in 2006, David worked in Washington DC from 1992 to 2006 at the Republican National Committee, the U.S. House of Representatives, Americans for Prosperity and several government relations firms.
- David is a native of Wellesley Massachusetts and is a 1991 graduate of the University of Delaware. He lives in Broomfield Colorado with his wife Jennifer and their two sons Jack and Bobby.



# Key Points

- The 2020 political environment and choices for presidents are very different compared to the 2016 election cycle.
- A national debate over big changes to the political system and the federal government has been overtaken by a debate about addressing a national health crisis and competence in managing the federal government.
- The only political battle that will matter by mid-October is the U.S. Senate.

# Key Points

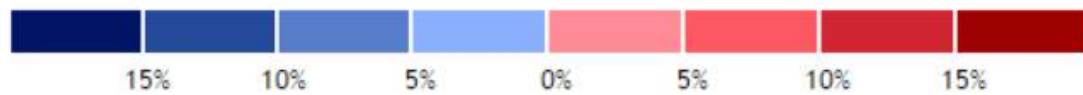
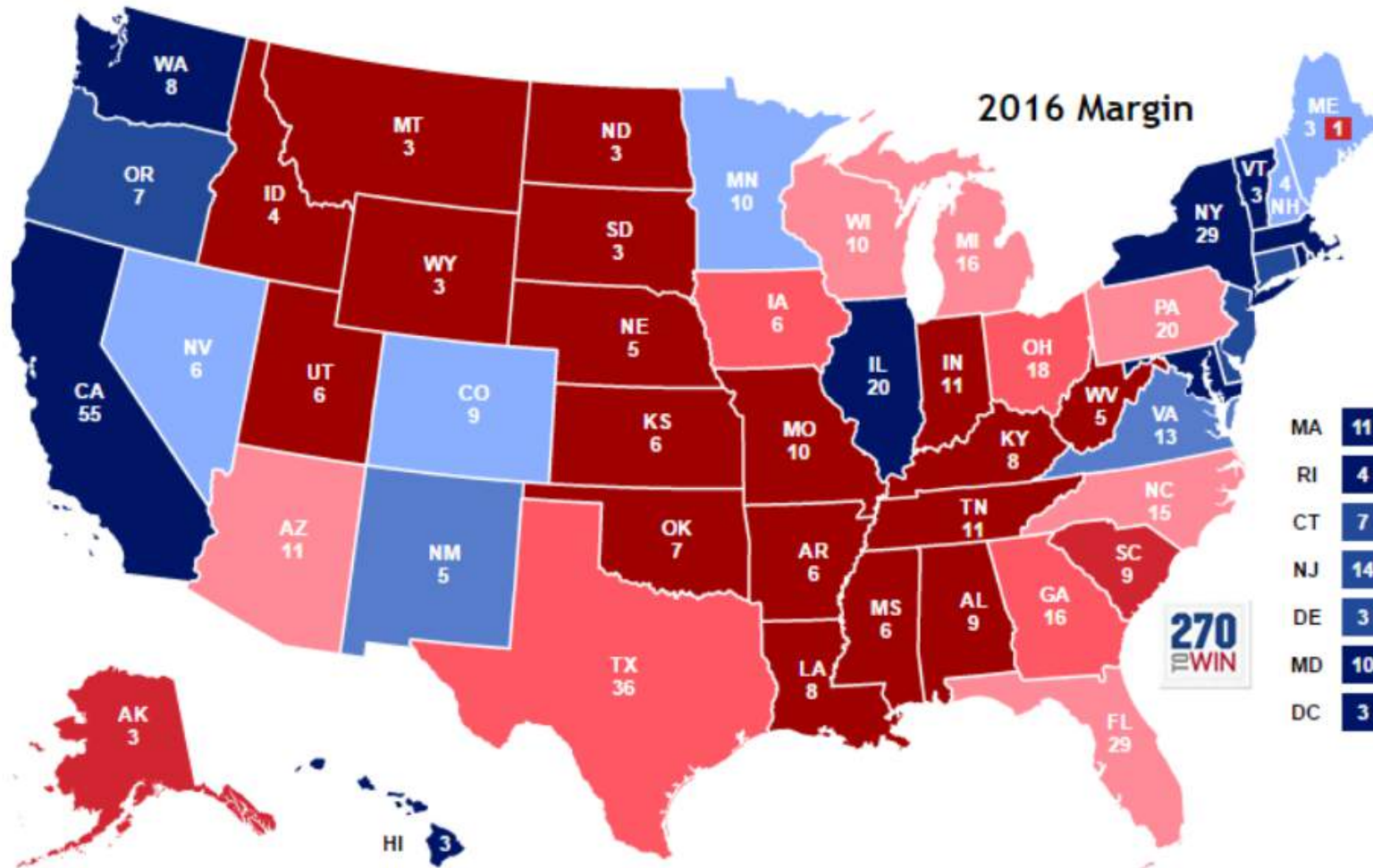
- Turnout among younger voters, aged 18 to 34 is a key data point in forecasting the election outcome accurately.
- A Biden Administration is likely to pick up where the Obama Administration left off regarding regulations and rule making.
- Federal regulation of air, water and wildlife will be a particular focus.
- Will President Biden declare a climate change national emergency?

# My how things have changed since 2016.....



Clinton 227

304 Trump



270 WIN

- MA 11
- RI 4
- CT 7
- NJ 14
- DE 3
- MD 10
- DC 3



# How Donald Trump Won in 2016

- He was not a politician, no record, had “never been part of the problem” in Washington.
- Image of a successful businessman, great builder of teams that got things done with experts and top people .
- His winning message was restoring jobs for working class Americans, punish countries that were taking advantage of the United States. (Fair vs. Free Trade)
- That message resonated among economically depressed areas that felt no relief from Obama Administration (Wins in WI, MI, PA, OH, IA)

# How Donald Trump Won in 2016

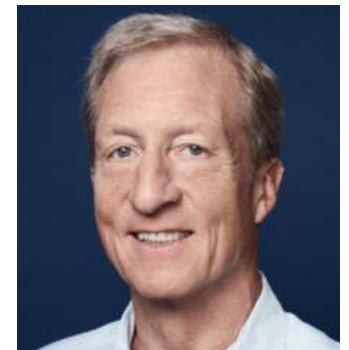
- Hillary Clinton had a very high unfavorable image rating, in the mid-50's.
- Millions of voters voted for third party candidates, highest percentage on record. In Colorado was 9%.
- Clinton campaign did not use traditional battleground tracking polling methods, relied on flawed voter modeling.
- African American turnout was low compared to 2012.



# It's the economy stupid!



# Political Environment was Looking Much Better for Republicans in January



# The Ten Democratic Presidential Debates



# Playing With Political Fire to Win Over the “Progressive” Base

- Massive government programs that can only be paid for by raising taxing taxes on the uber wealthy and middle class.
- Medicare for All, abolishing private health insurance. (Cost in trillions)
- Baby Bonds, give every child born in America \$1,000 at birth to pay for housing & college.
- Immigration, “open borders”, not a criminal offense, healthcare coverage for immigrants.
- Andrew Yang, Freedom Dividend, \$1,000 a month not to work.

# Candidates Playing With Political Fire to Win Over the “Progressive” Base

- Andrew Yang’s freedom dividend, \$1,000 to people per month not to work.
- Aggressive climate change policies like the Green New Deal.
- Paying reparations to African Americans for slavery.
- Abolishing the Electoral College.

# Donald Trump's Reelection Strategy



# “Promises Made Promises Kept”

Making America  
Great Again

President Donald J. Trump Accomplishments



## Economy and Jobs

President Trump jump-started America's economy into record growth, which created jobs and increased take-home pay for working Americans.

## Immigration

President Trump protected the American homeland by enforcing immigration laws, so that every American can feel safe in their community.

## Foreign Policy

By promoting fair and reciprocal trade, President Trump put America first. This includes exiting TPP, renegotiating NAFTA, and securing major new bilateral deals with major trading partners.

## National Security and Defense

President Trump rebuilt our military, crushed ISIS, and confronted rogue nations to protect America and our allies.

# “Promises Made Promises Kept”

## Regulation

President Trump removed red tape and ended unnecessary regulations that stifle economic growth and prosperity.

## Land and Agriculture

President Trump created a task force on agriculture and rural prosperity that included actions to improve the lives of rural Americans.

## Law and Justice

President Trump partnered with local communities and worked with local law enforcement to protect American communities.

## Energy and Environment

President Trump reversed years of policies that locked up American energy and restricted our ability to sell to other countries.



# “Promises Made, Promises Kept”

## Government Accountability

One of President Trump’s biggest campaign promises was to make a government by and for the people. Throughout his first year in office, the President worked to drain the swamp and created more transparency.

## Health Care

President Trump repealed the Obamacare individual mandate, expanded plan choices and increased competition to bring down costs for consumers.

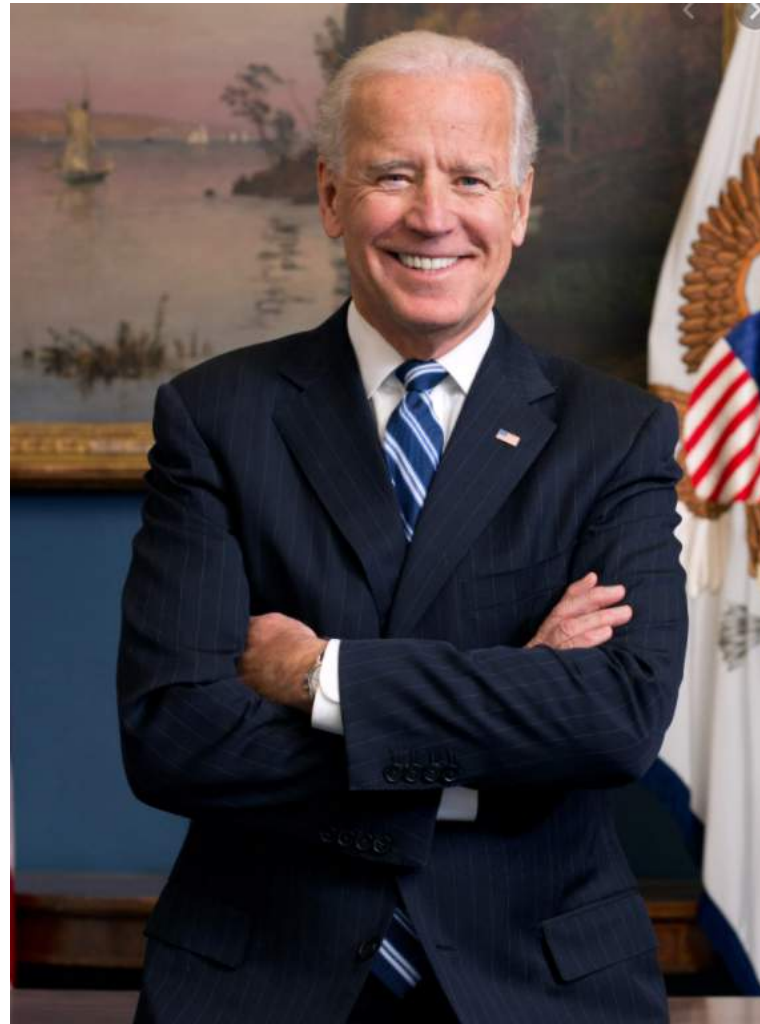
## Infrastructure and Technology

President Trump built stronger rural communities by ensuring Americans have access to the quality infrastructure they deserve.

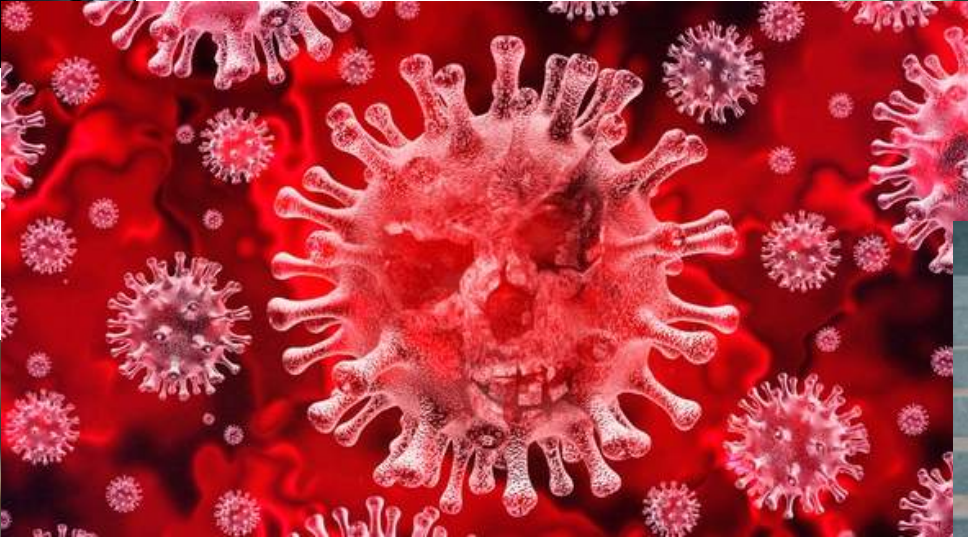
## Social Programs

President Trump and his Administration protected life by fighting back against illegal drug shipments, opioid abuse, and abortion service providers.

# Joe Biden Becomes the Dem Nominee Progressives Fail/Moderates Win



# Then Along Comes the Coronavirus and the Economic Pain With It



# Racial Tensions Explode Over Tragedy of George Floyd's Death



# A President in Over His Head Unable to Lead the Country





RealClear Politics



# Battleground Polling Trump vs. Biden

Pennsylvania: Biden 49% - Trump 44%

Ohio: Biden 47% - Trump 45%

Florida: Biden 49% - Trump 45%

North Carolina: Biden 47% - Trump 47%

Wisconsin: Biden 48% - Trump 45%

Michigan: Biden 47% - Trump 45%

Arizona: Biden 48% - Trump 46%

Georgia: Trump 47% - Biden 46%

# The Battle for the U.S. House



# There Really is No Battle.....

- In 2018 Republicans lost their majority, losing 42 seats to Democrats.
- Democratic candidates received 60.5 million votes compared to 50.8 million for Republican candidates.
- Republicans need to pick up 20 seats to win back majority.



# The Battle for U.S. House



## SOLID SEATS



## LIKELY/LEAN SEATS



## TOSS-UP OR WORSE



**Likely** : These seats are not considered competitive at this point, but have the potential to become engaged.

**Lean** : These are considered competitive races, but one party has an advantage.

**Toss-Up** : These are the most competitive; either party has a good chance of winning.

- July 16<sup>th</sup> Cook Report shifted 20 races toward Dems.
- Cited Trump's abysmal polling data since pandemic began will drag down House Republicans.
- Loss of support in suburban swing districts with large concentration of college graduates.

# The Battle for the U.S. Senate



# Control for the Senate is Likely the Only Battleground That Will Matter

- Republican majority of 53 seats to 45 Democrat seats and 2 Independents that caucus with Dems (Bernie & Angus).
- Republicans are defending 23 seats and Democrats are defending 12 seats.
- For a majority the Democrats need to win 3 seats and the White House or 4 seats and no White House.

# Cook Political Report

## Dems Favored to Take U.S. Senate

- July 23<sup>rd</sup>, Cook Report projects Dems to take back Senate.
- Report cites fundraising momentum for Democratic candidates, including long shots in SC, red states.
- President dismal polling numbers, poor handling of COVID, growing number of cases and death of COVID.

# Democratic Likely Pick Ups



Cory Gardner  
Colorado



Martha McSally  
Arizona



# Five Republican Seats That Are Toss Ups



Joni  
Ernst  
Iowa



Susan  
Collins  
Maine



Thom  
Tillis  
North  
Carolina



Sonny  
Purdue  
Georgia



Steve  
Daines  
Montana

# Likely Pick Up for Republicans Alabama



Tommy Tuberville



Doug Jones

# Kansas is a Potential Democratic Upset



Roger Marshall



Barbara Bollier



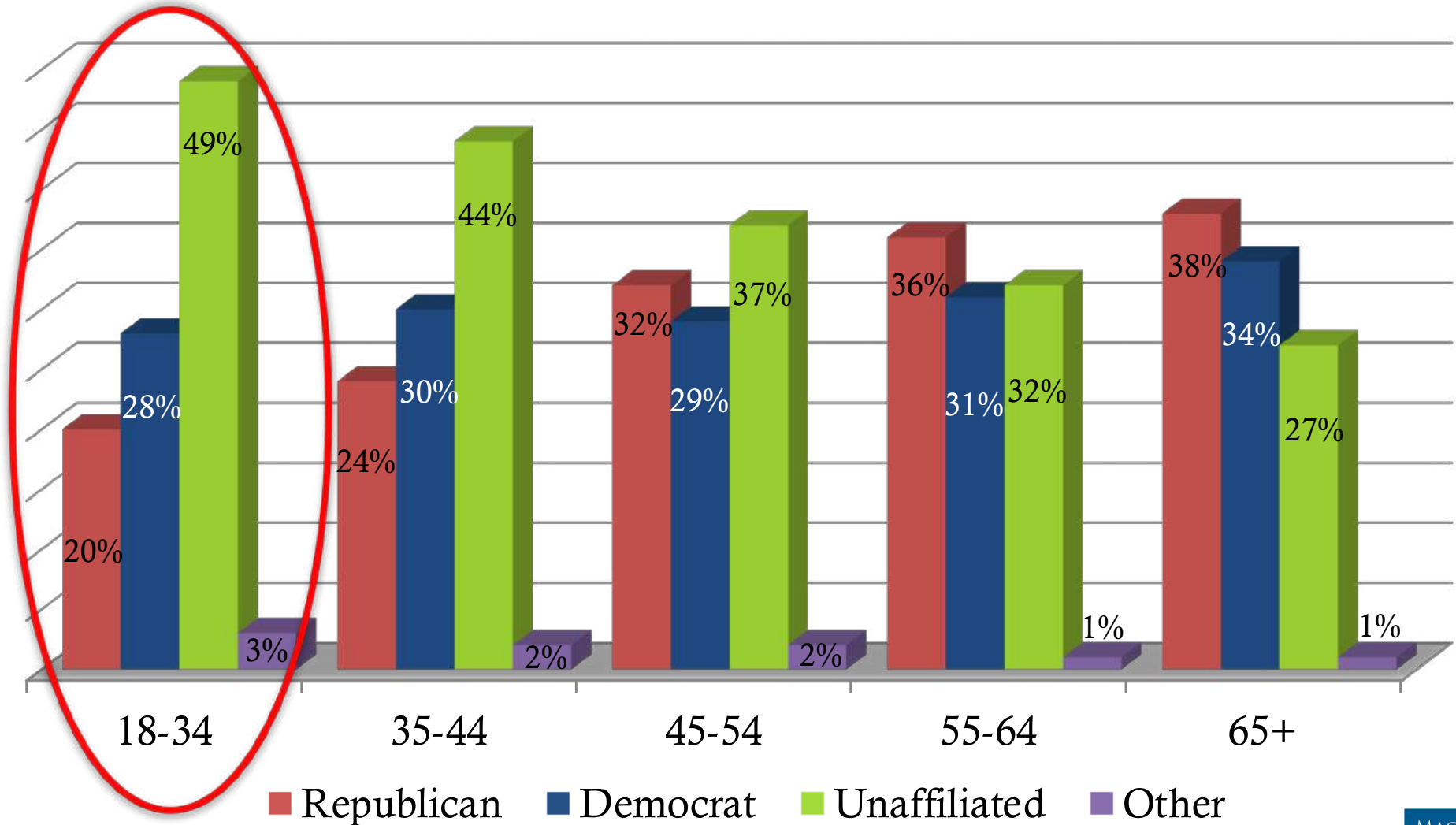


# What Republicans Should Really Worry About in 2020

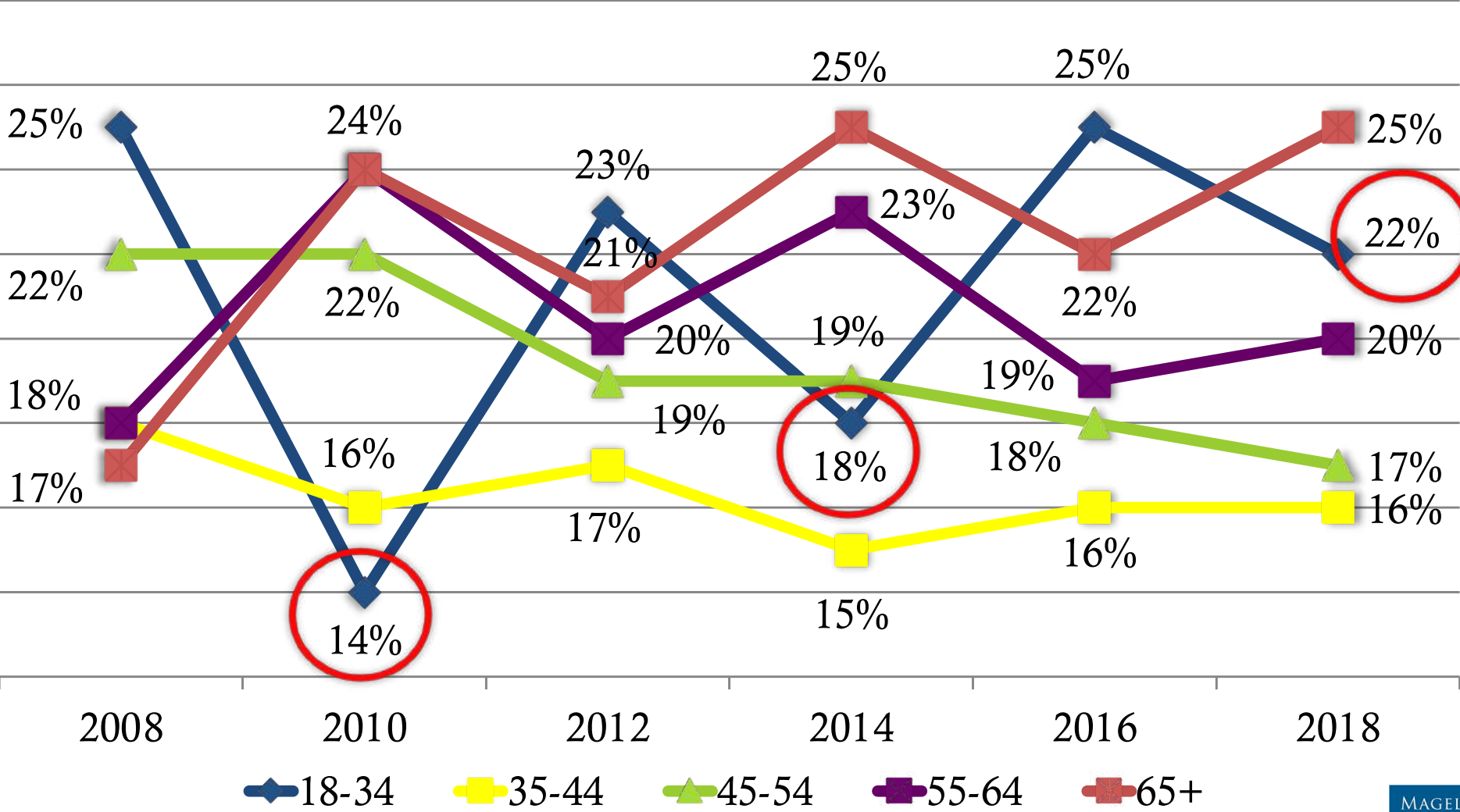
# Historic Voter Turnout Among Younger Voters and African Americans



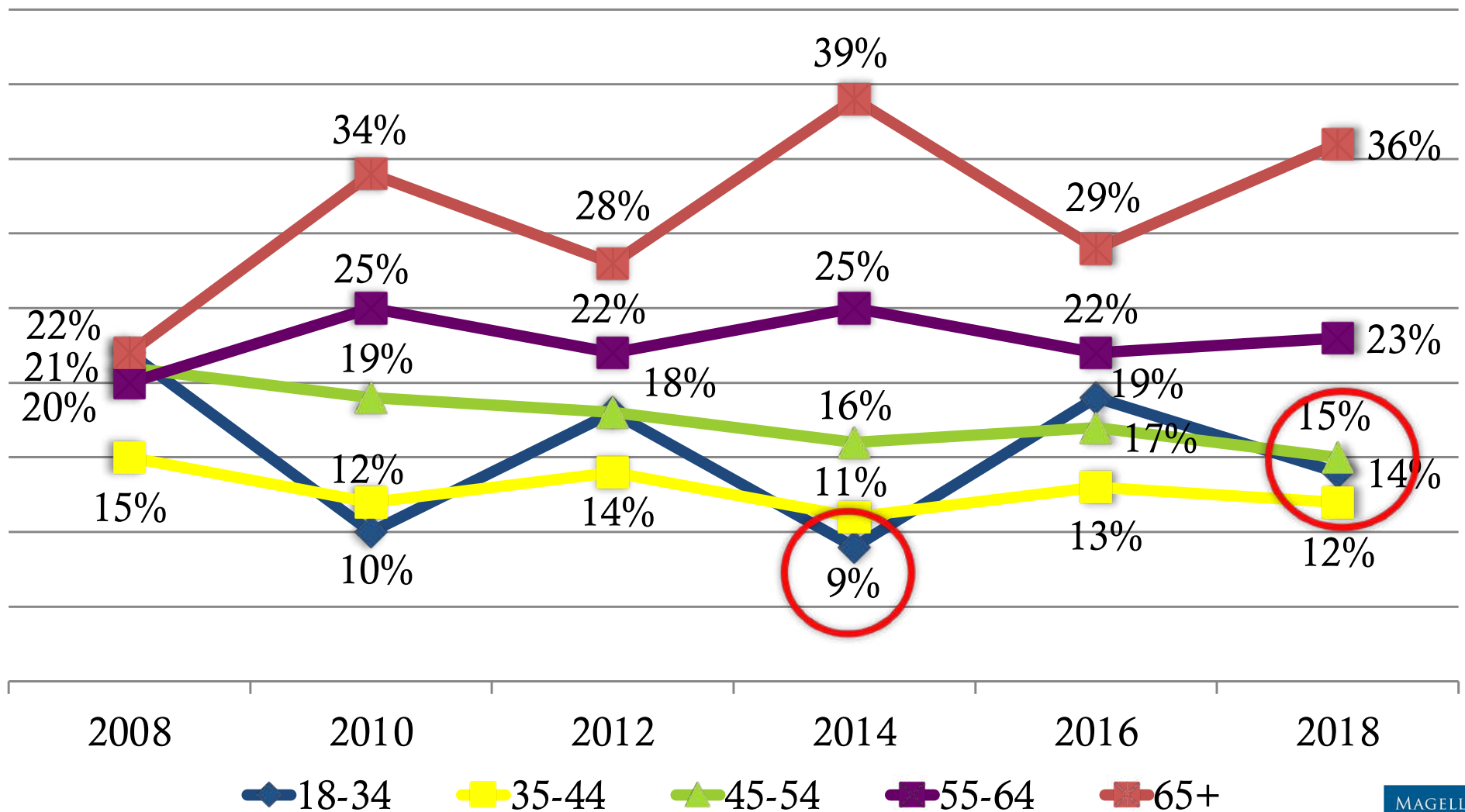
# Colorado Voter Registration by Party & Age Range



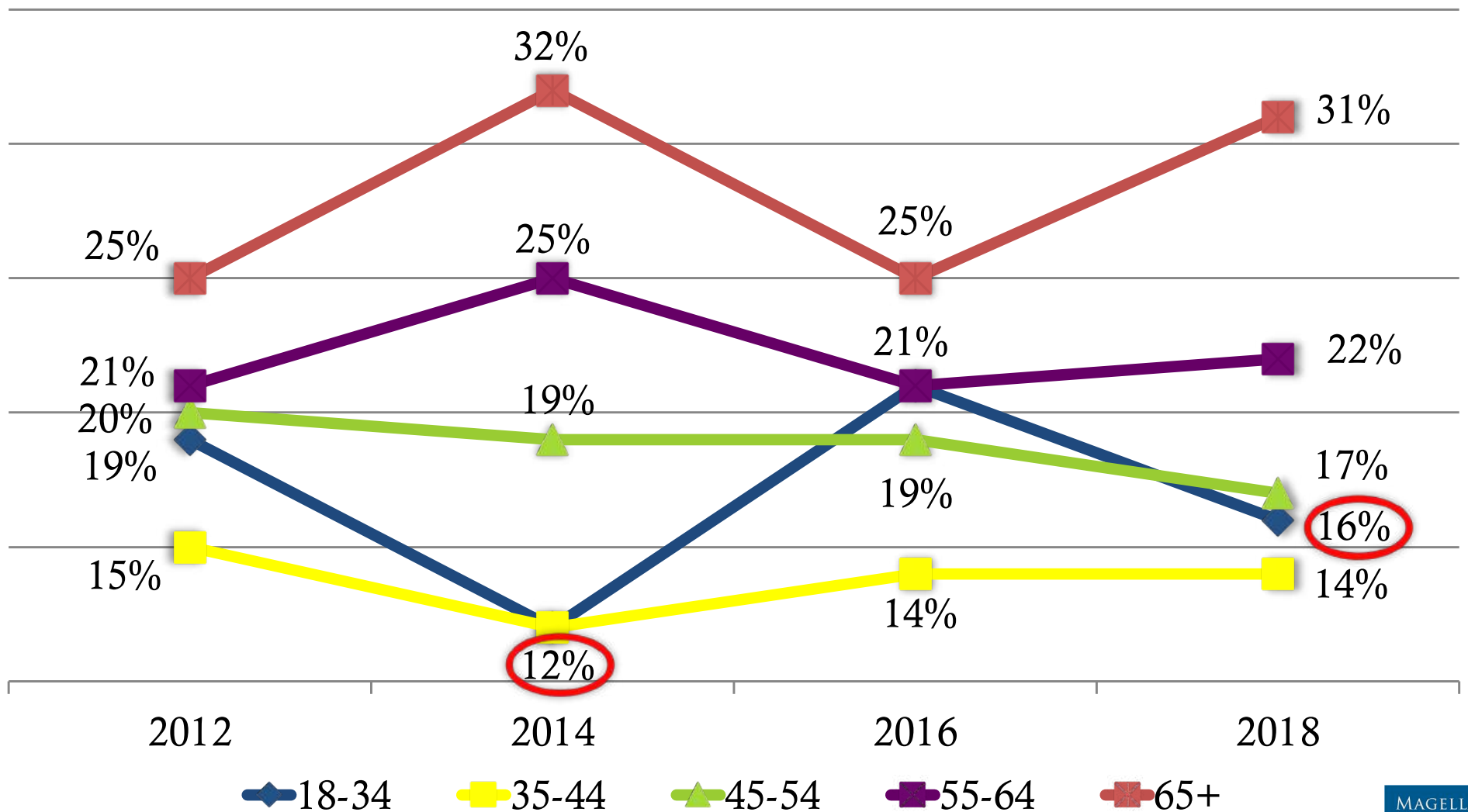
# Colorado Voter Turnout by Age Range, 2008 to 2018



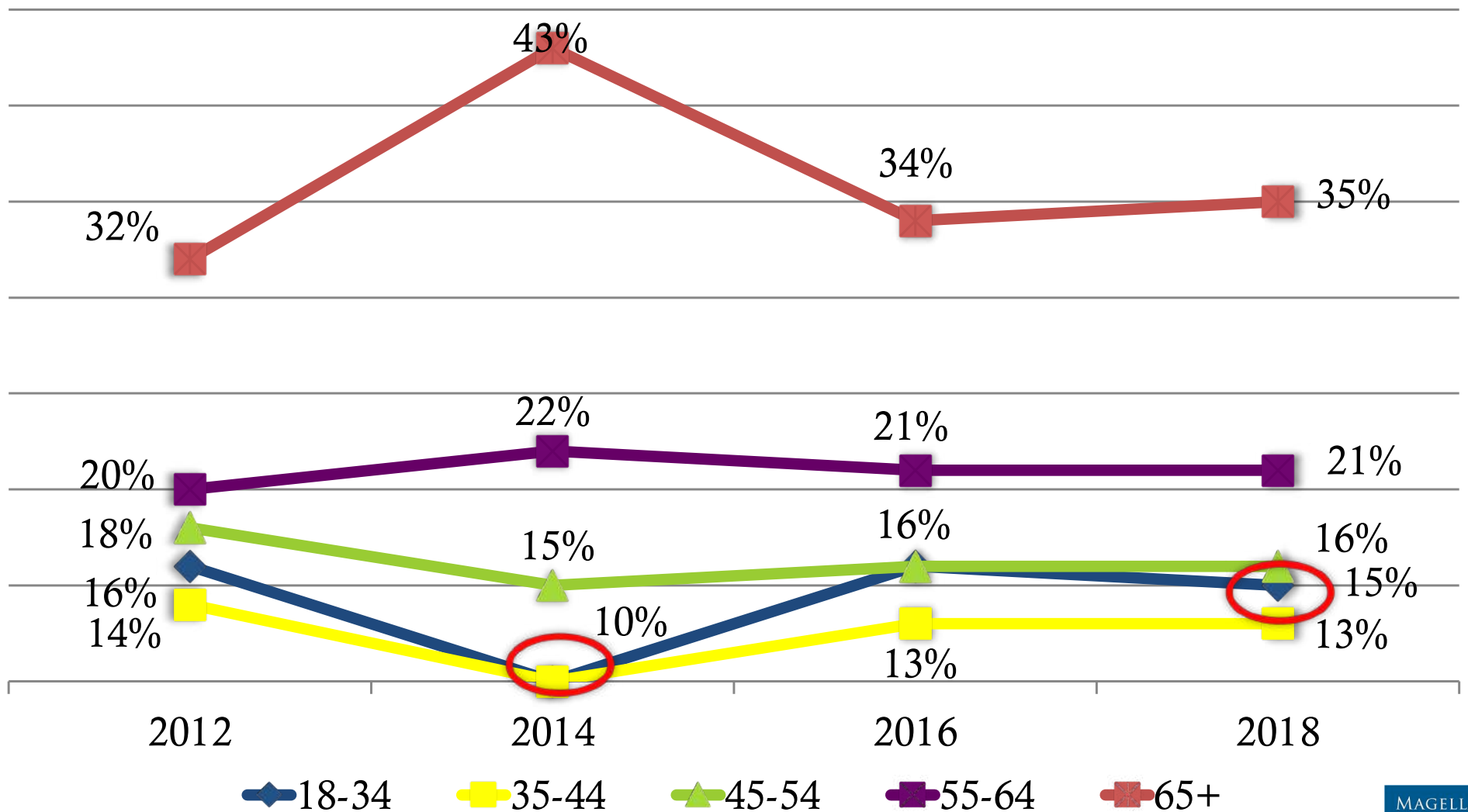
# New Mexico Voter Turnout by Age Range 2008 to 2018



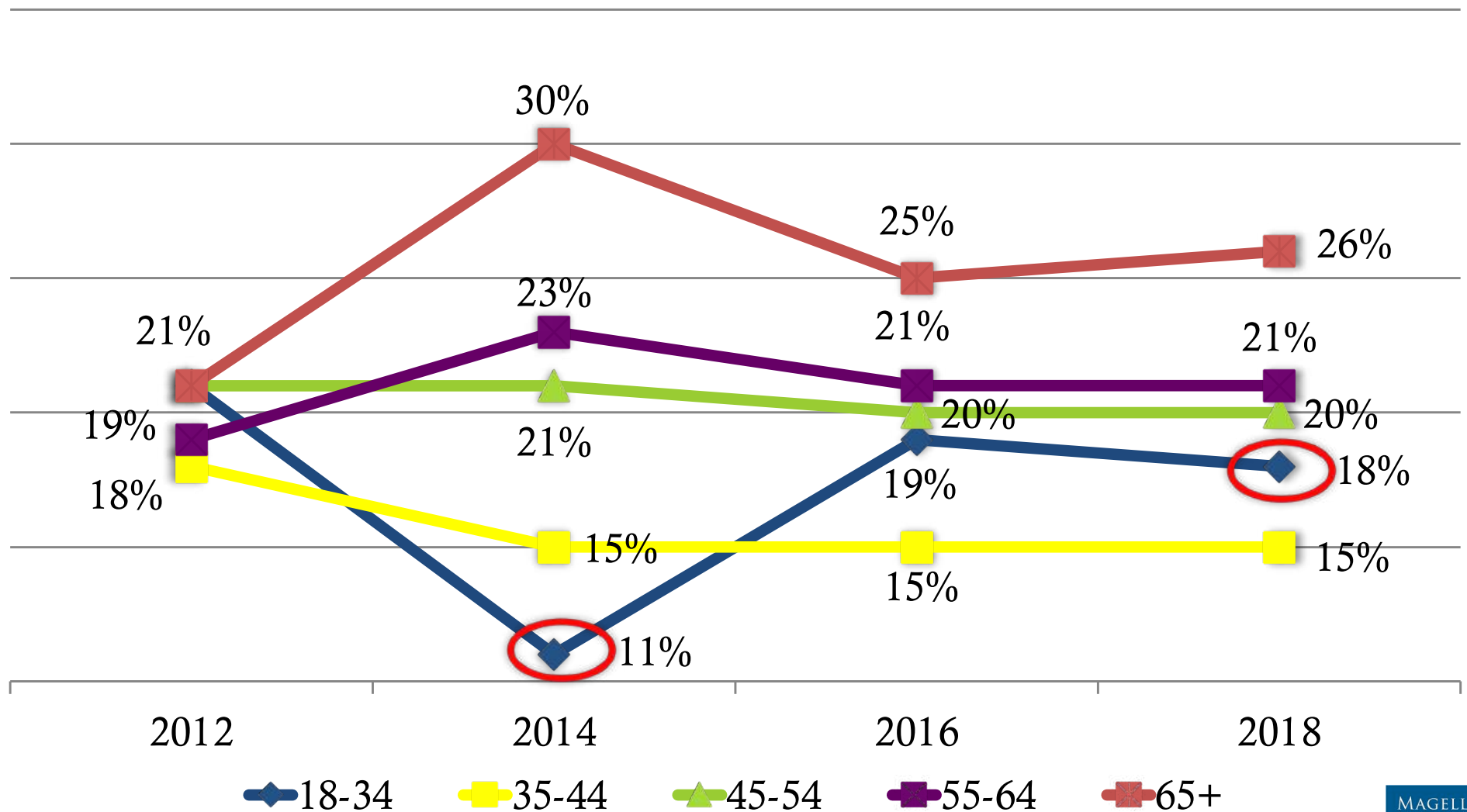
# Pennsylvania Voter Turnout by Age Range 2012 to 2018



# Arizona Voter Turnout by Age Range 2012 to 2018

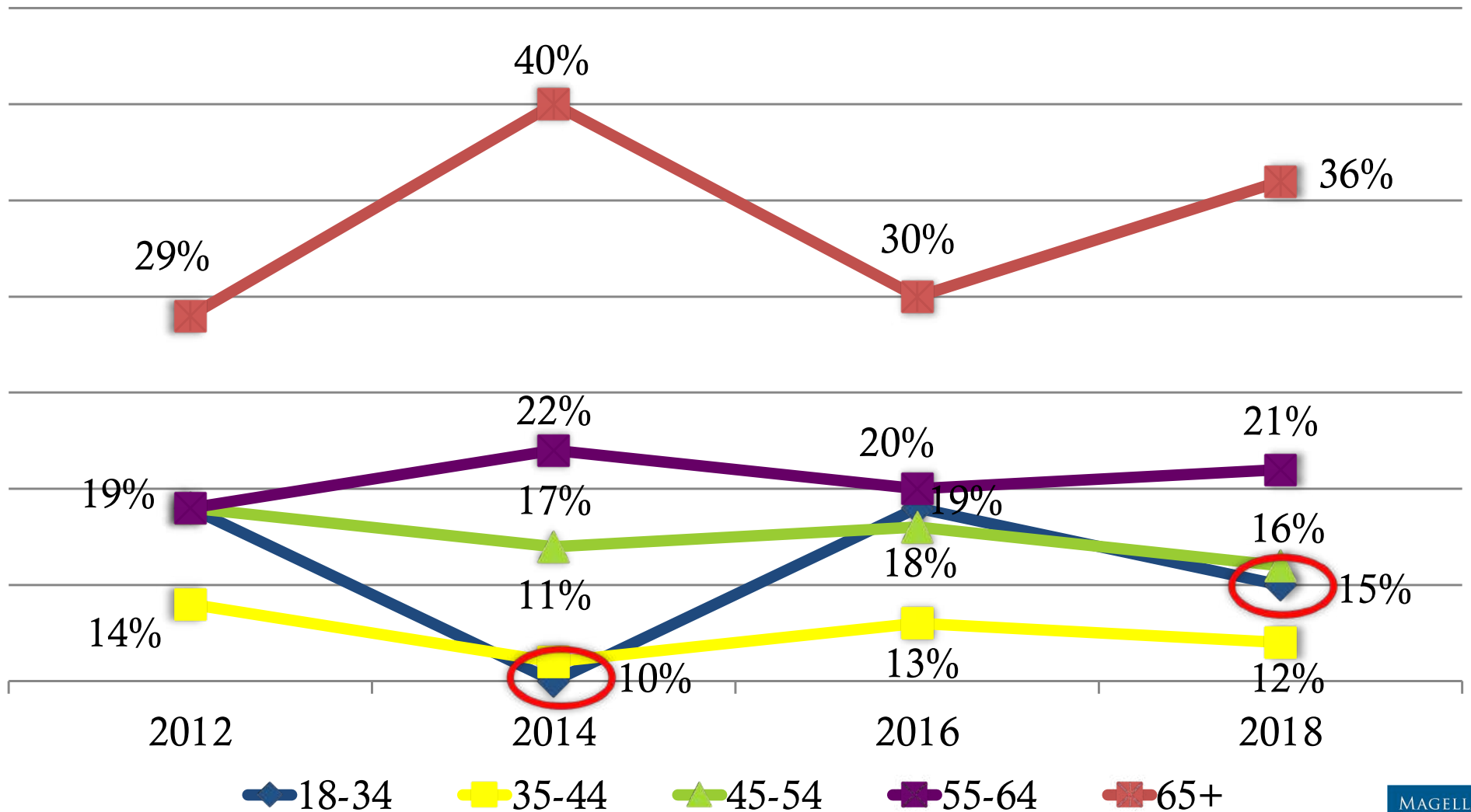


# Georgia Voter Turnout by Age Range 2012 to 2018





# Florida Voter Turnout by Age Range 2012 to 2018

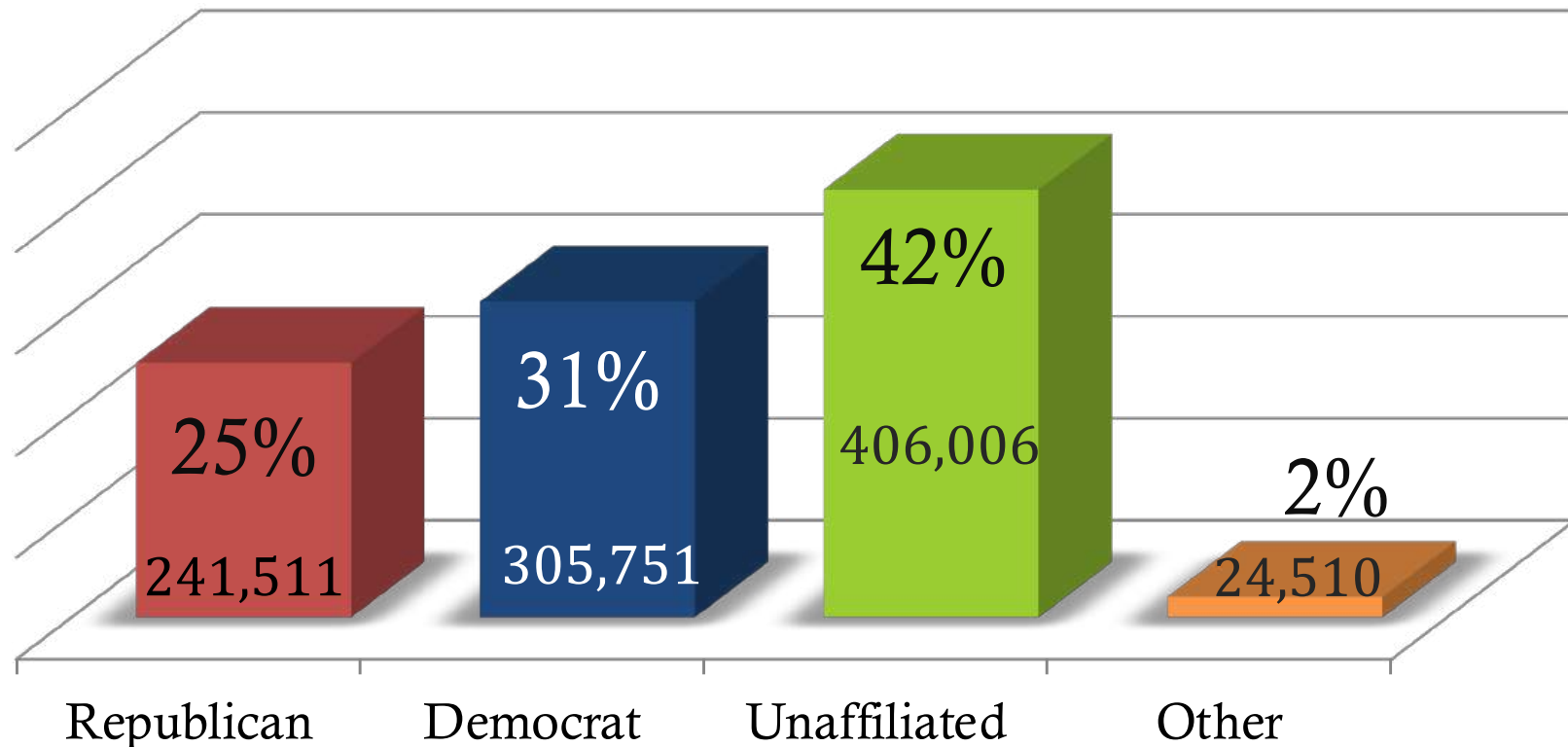




# Historical Midterm Cycle to Presidential Cycle Voter Turnout Trends

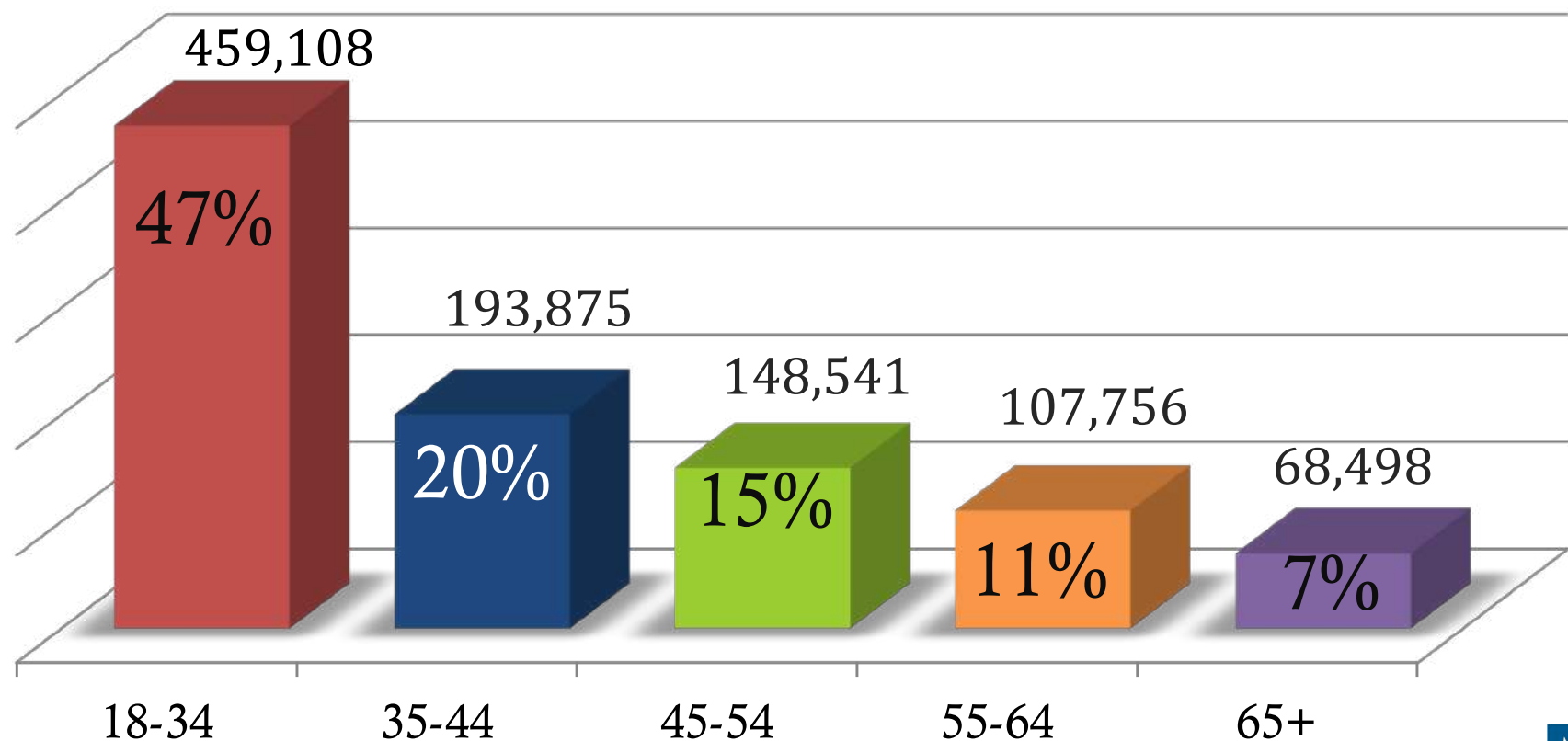
# CO Midterm to Presidential Turnout Shift Voted in 2016, Not 2014

This bar chart shows the **977,778** voters that voted in the 2016 Presidential election, but not the 2014 midterm election.



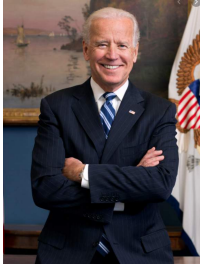
# CO Midterm to Presidential Turnout Shift Voted in 2016, Not 2014

This bar chart shows the **977,778** voters that voted in the 2016 Presidential election, but not the 2014 midterm election.





# Forecasting the Oil and Gas Regulatory Environment Post-Election

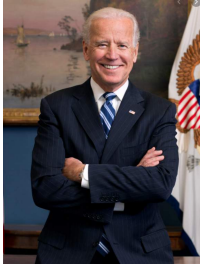


# Regulatory Forecast Under Biden Administration



Biden would likely pick up where Obama left off in terms of restrictive and unduly burdensome regulations on oil and gas industry through a variety of agencies within the executive branch including but not limited to the Environmental Protection Agency, Bureau of Land Management and the U.S. Fish and Wildlife Service.





# Regulatory Forecast Under Biden Administration



- A Biden Administration would likely roll back de-regulation initiatives during the Trump Administration.
- New regulations would focus on hydraulic fracking, air quality, greenhouse gas emissions, climate change, sensitive, threatened endangered species and waters of the United States.
- The regulation of air, water and wildlife will be a particular focus because the governing federal statutes reach to oil and gas activities on private lands not just federally owned lands.



# Why a Federal Ban on Fracking is Unlawful



- A ban on fracking would be an unlawful federal action by the taking of private property rights. Under the law oil and gas leases are recognized as real property.
- Under the Fifth Amendment of the U.S. Constitution, the federal government may not take a person's property without providing just compensation.





# There are Some Limits On Presidential Power



- President does not have Constitutional or legal authority to issue a unilateral decree or direct the Secretary of Interior to ban or halt oil or gas leasing or hydraulic fracking on federal lands.
- Constitution only conveys President responsibility to ensure laws are faithfully executed, does not convey authority to legislate by unilaterally voiding or amending federal statutes promulgated by Congress that govern federal oil and gas interests. (Mineral Leasing Act/Fed. Land Policy and Management Act)



# President Could Declare a National Emergency



- The National Emergencies Act Declaration allows the President to declare a national emergency and take certain actions in an expedited manner.
- Example is President Trump issuing Declaration of National Emergency Concerning Southern Border of US to build the border wall in 2019.
- Wild Earth Guardians have been lobbying the U.S. House for a “climate emergency” declaration and would likely pressure the Biden Administration to do the same.



# Regulatory Forecast Federal Legislative Risks



- If Democrats have full control of Congress, there will obviously be fewer checks and balances upon the President and the executive branch.
- There is a possibility of amendment of the federal statutes governing federal minerals, and laws related to energy company taxation and deductions.

Thank you for your time  
today!

