



THE FIGHT TO CONTROL POLICY AND POLITICS IN 2019: ENERGY AND MANUFACTURING CAUGHT IN THE CROSSFIRE

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WHAT IS GOING ON IN WASHINGTON?

- New changes in leadership are exacerbating existing governance problems.
- The legislative process has become an increasingly unproductive tool for policymaking.
- Each branch has had to focus on tools beyond traditional legislation:
 - Executive: Rulemaking and regulations
 - Legislative: Oversight

CHANGES IN THE 116TH CONGRESS

- In the 2018 midterm elections, control of the House shifted to Democrats while Republicans expanded their Senate majority
- Republicans gained two seats in the Senate, they now have **53**
- Democrats gained 41 seats in the House, they now have **235**

CHANGES TO KEY COMMITTEES

- Changes have also come at the top of key Committees of Jurisdiction:
- House
 - Oversight and Government Reform – Chaired by Rep. Elijah Cummings (D-MD)
 - Energy and Commerce – Chaired by Rep. Frank Pallone (D-NJ)
 - New Climate Change Committee chaired by Rep. Kathy Castor (D-CA)
- Senate
 - Energy and Natural Resources – new ranking member Joe Manchin (D-WV)
- Leadership on the Senate Environment and Public Works Committee is unchanged, but the Committee will play a key legislative role

ENERGY AND MANUFACTURING CAUGHT IN THE CROSSFIRE

- Energy companies have wide exposure because energy is central to economic, environmental, and foreign policy.
- Energy companies are perceived as driving a wide range of policies in Washington, even when they aren't actually driving those policies.
- Trade policy is unique vulnerability because of tighter margins.
- Energy companies get caught in the crossfire when the branches disagree and when they agree.

CAUGHT IN THE CROSSFIRE

- When they disagree: White House pushes energy policy through regulations and it triggers oversight from Congress that entangles energy companies.
 - Examples: *Permitting, climate change, enforcement actions.*
- When they agree: Each branch tries to one-up the other, expanding the scope of policy in ways that entangle energy companies.
 - Examples: *CFIUS reform and protectionism, sanctions, export controls.*

CEMENT IS STUCK IN THE MIDDLE

- According to the International Energy Agency (IEA), the cement sector is third largest consumer of energy. As the main agency regulating the industry, EPA subjects the industry to National Emission Standards for Hazardous Air Pollutants (NESHAP), the Greenhouse Gas Reporting Program (GHGRP), and procurement guidelines for sustainable materials management.
- Operating in a heavily regulated industry, EPA has published language specifically citing cement in rulemaking in areas to include: Air, Asbestos, Waste, and Water.
- Additionally, being included in the mineral sector – the cement industry is subject to regulation from the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA) as well.

MAJOR THEMES DRIVING ENVIRONMENTAL/ENERGY POLICY

- Climate platforms— A campaign mainstay.
- Renewed focus on climate change— Reinstatement of Select Committee on Climate Change and the Green New Deal
- Messaging hearings will dominate.
- Continued partisan disagreements, but all in the name of grid reliability.
- Aggressive administrative reforms of infrastructure permitting will fuel opposition.

COPING WITH THE NEW WASHINGTON

- The importance of maintaining relationships with both parties.
- Things will get worse before they get better.
- Be careful of niche media and echo chambers.
- Develop a proactive and modern advocacy strategy.
- What to watch for in the early days of the 2020 election.



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