

# Ky/Tenn Report

Volume 23, Number 11 &12

Nov/Dec 2016

---

**ELECTION RECAP** – In a historic election, Donald Trump has won the nomination to be our country’s 45th President, and the Republicans have a majority in the House and Senate. The energy industry celebrates the possibilities that a Trump presidency represents – reigning in regulations, opening up investment and common sense business opportunities. As the transition begins, we look forward to the chance to re-energize the energy and extraction industries!

*TENNESSEE SENATE RACES* With half of the state’s 33 Senate seats being up for re-election this year, there were only two races that were competitive – and Republicans held on to both to keep their 28-5 supermajority.

*District 10 – Gardenhire prevails* The Chattanooga district of Sen. Todd Gardenhire delivered a fairly decisive victory over Democratic challenger, Khristy Wilkinson, with an 8,000 vote margin.

*District 20 – Dickerson trumps* Senate district 20, outside of Nashville, was the most competitive – and expensive – state race of the election cycle. Despite an endorsement by President Obama for his opponent, Erin Coleman, Sen. Steve Dickerson had a strong showing winning the seat by a margin of 56% to 44%.

Although the Senate majority remains unchanged, the chamber is geared up for a variety of changes in leadership as Lt. Gov. Ron Ramsey will not be returning. Sen. Randy McNally is widely seen as the next Senate Speaker, but committee chairmanships and other leadership positions will be up for grabs when the legislature reconvenes in January.

*TENNESSEE HOUSE RACES* Much like in the Senate, the state House retained its supermajority status gaining one seat with the defeat of Democrat Kevin Dunlap on the Cumberland Plateau. The only race to go against the grain was in suburban Memphis where incumbent Republican Rep. Steve McManus lost a close race to Democrat Dwayne Thomas by a margin of 350 votes.

*District 16 – Smith v. Johnson* In what was billed as the closest race in the state, Republican Eddie Smith held onto his East Knoxville seat by a slim 154-vote margin against Gloria Johnson. This race was one of the most important to the House Republican Caucus. Johnson, who served one term in the House from 2012-2013, was viewed as one of the House’s most liberal Democrats and drew considerable opposition from the GOP in 2014 and again this year. As of now, Johnson had yet to concede the race to Smith pending a legal challenge to count the provisional ballots that were cast in the district.

*District 36 – Powers for the People!* Although it was billed as a close race and topped the House Republican's Top 5 list, Dennis Powers delivered one of the most lopsided victories of the election defeating his challenger, Bob Fannon, by a vote of 13,913 – 5,295! Rep. Powers is a strong advocate for the energy industry in Nashville, and we are happy to have him returning in January.

*District 41 – One Rural Democrat to Rule Them All* With a comfortable 10-point margin, Democrat John Mark Windle defeated his Republican challenger Ed Butler to retain the last rural democratic seat in East Tennessee. In Windle's last opposed election in 2012, he won the race by 23 points. Despite the dip in support, Windle's long-time service and conservative voting record proved to be enough to return him to Nashville for the 110th General Assembly.

*District 74 – Reedy Returns* First-term incumbent Representative Jay Reedy delivered a decisive victory in West Tennessee beating his Democratic opponent by a 16-point margin. Reedy fought a hard primary race and endured a muddy general election to retain his seat. As a member of the House Agriculture and Energy Committee, Reedy's return is another positive for TOGA on the state level.

Although the Republicans gained one seat in the House to up their majority to 74 – 25, there are still many changes afoot for the chamber. The Republican Caucus will meet prior to the convention of the 110th General Assembly to elect their leadership. At stake this year will be:

- **House Speaker** as Rep. Jimmy Matlock challenges Beth Harwell
- **Republican Majority Leader** as Rep. Gerald McCormick announced his decision not to pursue the role and the crowded field of challengers that have declared their intentions to fill McCormick's shoes; and
- **Republican Caucus Chair** as the current Chairman Glen Casada has declared his intentions to seek the Majority Leader role.

Regardless of who fills these leadership positions, who chairs our committees or what legislation is introduced, TOGA remains committed to working with our state and federal leaders to promote and defend the members we are privileged to represent.

**PLUGGING BONDS UNDER SCRUTINY** – In late October, News Channel 5, the CBS affiliate in Nashville, ran [a story about the lack of available state funds to plug all of the abandoned oil and gas wells](#) in the state. The reporter, Ben Hall, attributed the inventory of wells and the lack of plugging funds on oil companies' "bad business decisions" and portrayed abandoned wells as polluting groundwater and leaking methane into the air. Hall talked to Scott Banbury, the Sierra Club's Tennessee lobbyist. Banbury said that the Sierra Club will be asking lawmakers to increase the plugging bonds in the 2017 session.

TOGA has already begun work on an educational campaign strategy to explain to lawmakers that 1) the plugging bonds were modified in 2013 when the new oil and gas

regulations were passed 2) the plugging fund has been routinely raided during budget shortfalls and 3) the majority of abandoned wells are dry holes with no environmental danger.

**TOGA CHRISTMAS PARTY** – TOGA is looking forward to celebrating the holidays in style at the Luxurious Lodge at Buckberry Creek, Friday, Dec. 2. Registration information is available on the [TOGA website](#). Please make plans to join us for this wonderful annual event!

**MONTHLY DRILLING PERMITS** – The monthly reports for new drilling permits for the states of Tennessee and Kentucky can now be found as PDFs in the members' only section of the TOGA website. This year's password is Drill2015.

---