



## 2018 U.S. ELECTION SUMMARY

This report contains a summary of the election results and highlights the outcomes that are of interest to GM.

### U.S. SENATE

- Republicans expanded their majority control of the Senate, gaining 3 seats for a total 51 to 45 majority, with 4 seats still undecided.
- Mixed results for incumbent senators representing GM facilities:
  - Senators Debbie Stabenow (D-MI), Sherrod Brown (D-OH), Ted Cruz (R-TX) and Kirsten Gillibrand (D-NY) all won reelection.
  - Senator Claire McCaskill (D-MO) was defeated by Josh Hawley (R-MO). Joe Donnelly (D-IN) was defeated by Mike Braun (R-IN).
  - New representation from open seat contest in Tennessee (Marsha Blackburn, R-TN).

### U.S. HOUSE OF REPRESENTATIVES

- Democrats win the majority in the House, flipping the necessary 23 seats to gain control for the first time since 2010. The current seat count is: 220 Democrats, 193 Republicans and 22 races still undecided.

### U.S. STATE RACES

**Democrats made significant gains, as gubernatorial candidates fought tight battles for control of the nation's executive offices.** 36 gubernatorial elections were held this year. The current partisan make-up will be 25 Republicans (-7); 23 Democrats (+7); 0 Independent (-1). 2 races remain undecided in Alaska and Georgia.

- Gretchen Whitmer (D) defeats Bill Schuette (R) in Michigan's governor race to become the second woman elected to that office.
- Democratic candidates for governor flipped a total of 7 states previously held by Republican governors, including the defeat of incumbents in Illinois and Wisconsin.
- Republicans persevere in New England and the South. Democrats make inroads in the West and Midwest.
- At least 21 new Governors to be sworn-in early next year.
- Democrats take control from Republicans in 7 state legislative chambers and increase their ranks in statehouses across the country.
- Marijuana legalization and redistricting ballot questions were approved by Michigan voters.

### OVERVIEW

In congressional elections, Democrats are projected to win majority control of the House of Representatives for the first time since 2010. However, in a somewhat mixed result, Republicans gained 3 seats in the Senate to expand their majority in the upper chamber to 51 to 43, with 6 seats still undecided.

Given the divided control of the congressional chambers and President Trump entering his reelection cycle, finding consensus on the major policy issues gripping the nation will likely remain an uphill battle.

Next week, the current 115<sup>th</sup> Congress will return to Capitol Hill for a "lame duck" session to resolve several key issues such as yearly spending bills, tax extenders, coast guard reauthorization, flood insurance and the farm bill. Additional legislation that could be taken up for consideration includes AV START Act, EV tax credit modification, pension legislation and funding of the border wall. Nine of the twelve yearly appropriations bills have already been signed into law—funding for the Department of Homeland Security, Department of State, Department of Justice and Department of Commerce expire on December 7, 2018.

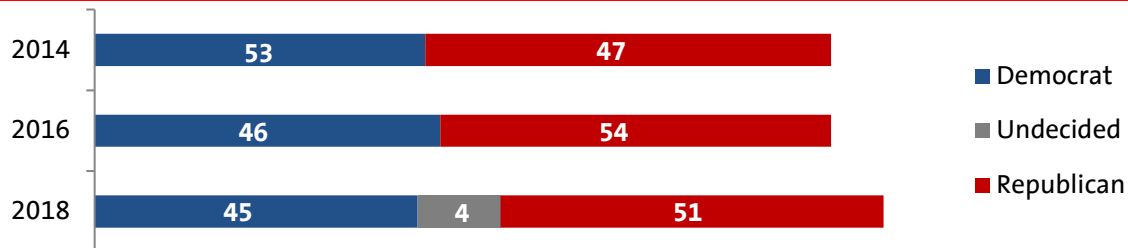
Additionally, leadership elections and committee assignment selection are expected to occur during the "lame duck" session.

## U.S. SENATE

Republicans expanded their majority control of the Senate, gaining 3 seats. The Senate now stands at:

- 51 Republicans (+3)
- 45 Democrats (-3), includes 2 Independents that caucus with Democrats.
- 4 undecided seats.

For comparison, here is the Senate landscape after the elections in 2014, 2016 and 2018.



More than twice as many Democratic seats were up for election this year than Republican seats. Control of the Senate was dependent on competitive races in Arizona, Florida, Indiana, Missouri, Montana, New Jersey, North Dakota, Nevada, Tennessee and West Virginia.

**Senate Race Highlights:** Senator Debbie Stabenow (D-MI), the three-term incumbent Democrat who was challenged by Army veteran John James (R) kept her Senate seat. Senator Stabenow, a champion for GM, is a member of the influential Senate Finance Committee and the Energy and Natural Resources Committee.

**Senate Leadership:** Republicans and Democrats will hold party caucus elections the week of November 13, 2018. Republicans do not have any contested elections planned for their caucus elections. Senator Mitch McConnell (R-KY) is expected to continue as Majority Leader, Senator John Thune (R-SD), the current Chairman of the Senate Commerce Committee and sponsor of the AV START Act, is expected to succeed Senator John Cornyn (R-TX) as Majority Whip and Senator John Barrasso (R-WY) is expected to succeed Senator Thune as Republican Conference Chair.

Senate Minority Leader Chuck Schumer (D-NY) and Senate Minority Whip Dick Durbin (D-IL) are expected to remain in their leadership positions. Senator Catherine Cortez-Masto (D-NV) is the early front-runner to take over as Chair of the Democratic Senatorial Campaign Committee (DSCC).

## U.S. HOUSE OF REPRESENTATIVES

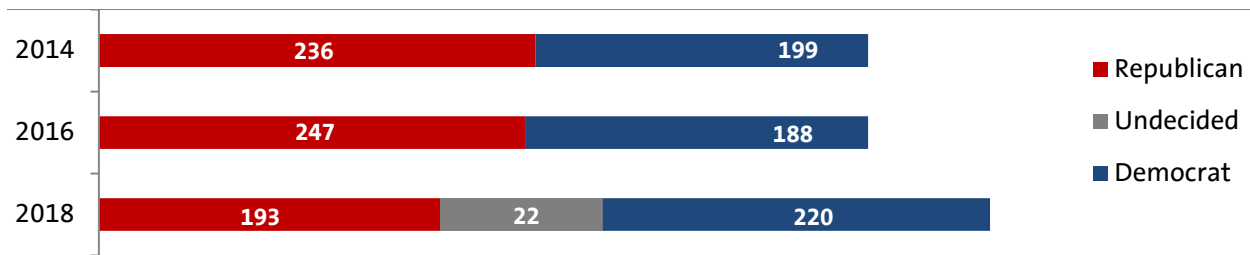
### Democrats projected to take the majority in the U.S. House.

Democrats are projected to regain control of the House of Representatives for the first time since the 2010 midterm elections, posting gains in suburban districts and Republican districts in traditionally blue states. Their gains were largely buttressed by a wide disparity in support amongst women and independents and low approval ratings for President Trump. Currently, 22 races remain undecided.

The House outlook is as follows:

- 220 Democrats
- 193 Republicans

For comparison, here is the House landscape after the elections in 2014, 2016 and 2018.



In this election, there were 55 House seats with no incumbent on the ballot due to retirements, previously vacated seats, and incumbents running for higher offices.

**Divided congressional control will result in more polarization.** With both parties looking ahead to the 2020 Presidential election contest, House Democrats will face enormous pressure from their base to conduct aggressive oversight of the Trump Administration and overturn many of the Administration’s early regulatory rollbacks—without a majority in the House, Republicans will be tasked with protecting the Administration and their legislative accomplishments. Conversely, Senate Republicans still maintain a working majority that will allow the confirmation of judicial nominations; however, without 60 votes and facing a Democratic majority in the House, any legislating beyond the most basic functioning of government will be extremely difficult.

**House Leadership:** Nancy Pelosi (D-CA) is expected to regain the Speaker’s gavel when Democrats hold their leadership elections on November 28, 2018. Current Minority Whip Steny Hoyer (D-MD) is expected to vie for Majority Leader and could potentially face opposition from current number three Democrat, Jim Clyburn (D-SC). If Clyburn passes on a challenge for Majority Leader, he would be expected to return as Majority Whip, leaving the top three leadership positions unchanged. Down ballot, we expect spirited contests for Caucus Chair, Caucus Vice-Chair, head of the Democratic Congressional Campaign Committee (DCCC) and Democratic Policy and Communications Committee (DPCC) as newer members seek to rise in the ranks. **Of note, former GM executive Rep. Debbie Dingell (D-MI) is expected to run for Chair of the DPCC.**

With the change of control in the House, House Republicans will hold their leadership elections the week of November 26. Leader McCarthy is almost certain to become House Minority Leader, with Rep. Scalise remaining as House Republican Whip. However, the outcome of the midterm elections could have an unforeseen impact on the outcome of the leadership races. Of note, the Minority Leader would simply require the support of a majority of the House Republican Conference, not the 218 votes that are required for Speaker of the House.

The House Republican leadership contest to watch is Republican Conference Chair. Congresswoman Cathy McMorris Rogers (R-WA) is planning to seek re-election to the position, however Congresswoman Liz Cheney (R-WY) is expected to be a tough opponent.

With the change in party control, Democratic Ranking Members will switch those positions for chairmen’s gavels. Rep. Frank Pallone (D-NJ) will become chairman of the House Energy and Commerce Committee, Rep. Richard Neal (D-MA) will chair House Ways and Means, Rep. Peter DeFazio (D-OR) will become chair of House Transportation and Infrastructure, Rep. Maxine Waters (D-CA) will chair House Financial Services, Rep. Nita Lowey (D-NY) will chair House Appropriations and Rep. Jerrold Nadler (D-NY) will chair House Judiciary. GM has good relationships with all members listed above.

#### GM FACILITIES

Of GM’s 35 largest facilities, many will have some form of new representation (either new congressperson or senator). The chart below captures our representation outlook for the 116<sup>th</sup> Congress.

Key:	New Facility Representation
	No Change in Facility Representation
	Undecided

2018 Election: Representation of Major GM Facilities				
GM Facility	State	U.S. Representative	U.S. Senator	U.S. Senator
Arizona IT Innovation Center & OnStar Technology Center	AZ	Greg Stanton (D)	John Kyl (R)	UNDECIDED
GM Financial - Chandler		Paul Gosar (R)		
GM Global Propulsion Systems - Torrance	CA	Maxine Waters (D)	Dianne Feinstein (D)	Kamala Harris (D)
GM Design Studio - North Hollywood		Tony Cardenas (D)		
Cruise Automation		Nancy Pelosi (D)		
Georgia IT Innovation Center	GA	UNDECIDED	Johnny Isakson (R)	David Perdue (R)
GM Assembly - Fort Wayne	IN	Jim Banks (R)	Todd Young (R)	Mike Braun (R)
GM Components - Kokomo		Jim Baird (R)		
GM Global Propulsion Systems - Bedford		Trey Hollingsworth (R)		
GM Stamping - Marion		Susan Brooks (R)		
GM Assembly and Stamping - Fairfax	KS	Sharice Davids (D)	Pat Roberts (R)	Jerry Moran (R)
GM Assembly - Bowling Green	KY	Brett Guthrie (R)	Mitch McConnell (R)	Rand Paul (R)
GM Global Propulsion Systems - Baltimore	MD	Dutch Ruppersberger (D)	Chris Van Hollen (D)	Benjamin Cardin (D)
GM Headquarters - Detroit	MI	Brenda Lawrence (D)	Deborah Stabenow (D)	Gary Peters (D)
GM Global Propulsion Systems Headquarters - Pontiac				

GM Assembly, Stamping and Powertrain - Van Slyke, Flint		Dan Kildee (D)		
GM Proving Grounds - Milford		Haley Stevens (D)		
GM Assembly - Brownstown Battery Plant		Deborah Dingell (D)		
GM Assembly - Detroit-Hamtramck		Rashida Tlaib (D)		
GM Assembly - Orion		Elissa Slotkin (D)		
GM Assembly - Lansing Grand River		Andy Levin (D)		
GM Technical Center - Warren		Tim Walberg (R)		
GM Assembly and Stamping - Lansing Delta Township				
GM Assembly and Stamping - Wentzville	MO	Blaine Luetkemeyer (R)	Josh Hawley (R)	Roy Blunt (R)
OnStar - Charlotte	NC	Alma Adams (D)	Richard Burr (R)	Thomas Tillis (R)
GM Components - Lockport	NY	Chris Collins (R)	Charles Schumer (D)	Kirsten Gillibrand (D)
GM Components - Rochester		Joseph Morelle (D)		
GM Global Propulsion Systems - Tonawanda 1 & 5		Brian Higgins (D)		
GM Assembly and Stamping - Lordstown	OH	Tim Ryan (D)	Sherrod Brown (D)	Rob Portman (R)
GM Global Propulsion Systems - Toledo		Marcy Kaptur (D)		
GM Global Propulsion Systems - Defiance		Robert Latta (R)		
GM Assembly, Stamping and Powertrain - Spring Hill	TN	Scott DesJarlais (R)	Lamar Alexander (R)	Marsha Blackburn (R)
Austin IT Development Center	TX	William Flores (R)	John Cornyn (R)	Ted Cruz (R)
GM Assembly - Arlington		Ron Wright (R)		

GM Financial Corporate HQ - Fort Worth	Kay Granger (R)		
--	-----------------	--	--

### TIMELINE FOR THE 115<sup>th</sup> and 116<sup>th</sup> CONGRESS

Key dates for Congress are listed below. *(Dates subject to change)*

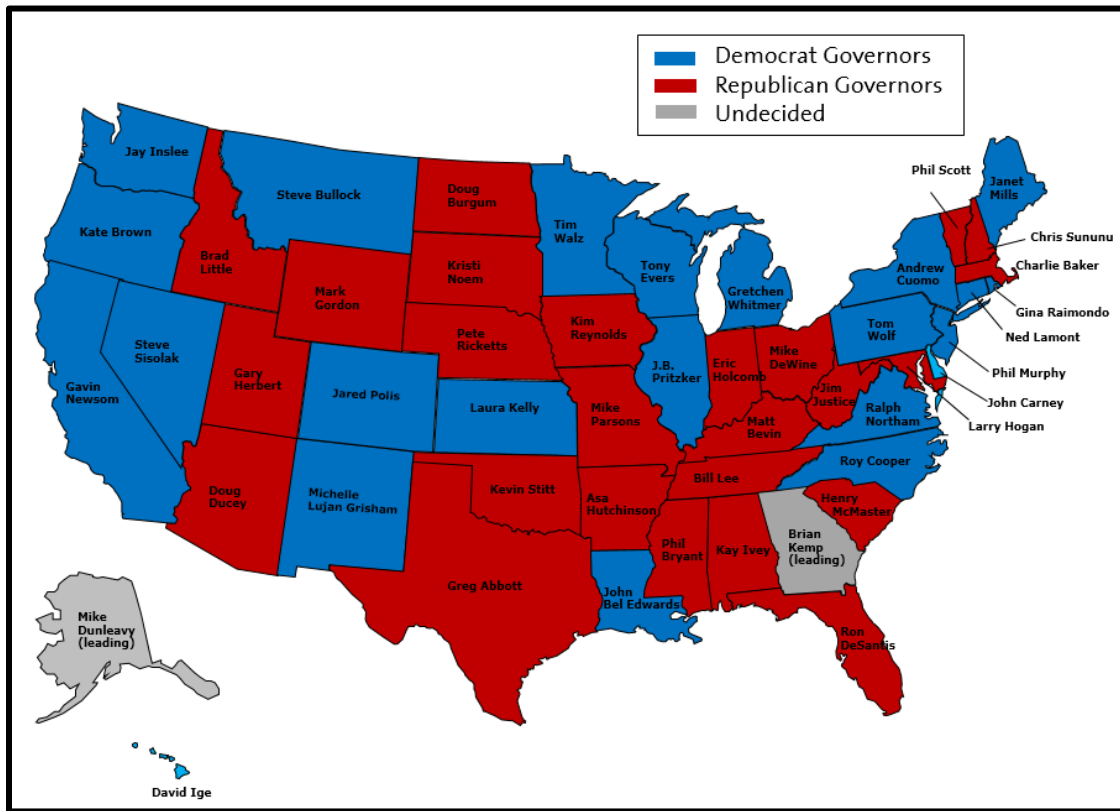
Key Dates for "Lame Duck" Session and 115 <sup>th</sup> Congress	
<b>November 13</b>	Congress returns to D.C. – Beginning of "Lame Duck" session of Congress
<b>Week of November 13 (or 26)</b>	House GOP leadership elections
<b>November 28th</b>	House Democratic leadership elections
<b>Week of November 13</b>	Senate GOP leadership elections
<b>Week of November 13</b>	Senate Democratic leadership elections
<b>Week of November 28</b>	House committee assignments for key committees
<b>December</b>	Full committee assignments announced in House and Senate
<b>December 7</b>	Continuing Resolution (CR) to fund the government expires
<b>January 3</b>	Swearing in of the 116 <sup>th</sup> Congress
<b>February 15</b>	President Trump's budget due
<b>October 1</b>	FY2019 begins

### U.S. STATE RACES

**Democrats were expected to make gains, as gubernatorial candidates fought tight battles for control of the nation's executive offices.** 36 gubernatorial elections were held this year. With votes still being counted, the current partisan make-up will be Republicans 25 (-7); Democrats 22 (+7); 0 Independent (-1). 3 races remain undecided.

#### Governor Breakdown by Political Party:

	2018	2019
Republicans	33	25 (-7)
Democrats	16	22 (+7)
Independent	1	0 (-1)
Undecided		(3)



### Governor Race Highlights

**Michigan:** Former State Senate Democratic Leader Gretchen Whitmer (D) defeated sitting state Attorney General Bill Schuette (R) in a race to replace term-limited Governor Rick Snyder (R).

**Arizona:** Governor Doug Ducey (R) prevailed in his re-election effort over educator David Garcia (D).

**California:** Lt. Governor Gavin Newsom (D) cruised to victory over businessman John Cox (D) to succeed term-limited Governor Jerry Brown (D).

**Florida:** Congressman Ron DeSantis (R) defeated Tallahassee Mayor Andrew Gillum (D) in a close race.

**Illinois:** Venture capitalist J.B. Pritzker (D) handily defeated incumbent Governor Bruce Rauner (R).

**Kansas:** State Senator Laura Kelly (D) defeated *Secretary of State Kris Kobach* (R) and businessman Greg Orman (I) in a three-way race.

**Maryland:** Governor Larry Hogan (R) defeated challenger and civic leader Ben Jealous (D) to win re-election to a second term.

**New York:** Governor Andrew Cuomo (D) scored a large-margin victory over Dutchess County Executive and former State Assemblymember Marc Molinaro (R).

**Ohio:** Attorney General and former U.S. Senator Mike DeWine (R) defeated Former State Attorney General Richard Cordray (D) to replace retiring Governor John Kasich (R).

**Pennsylvania:** Incumbent Governor Tom Wolf (D) was re-elected by a large margin over challenger State Senator Scott Wagner (R).

**Tennessee:** *Businessman Bill Lee* (R) defeated former Nashville Mayor Karl Dean (D) to succeed term-limited Governor Bill Haslam (R).

**Texas:** *Governor Greg Abbott* (R) easily defeated former Dallas County Sheriff Lupe Valdez (D) to win his second term of office.

## STATE LEGISLATURES

Republicans entered the 2017-2018 election cycle at a near-record level of control of chambers in state legislatures across the U.S., controlling 67 of 99 state legislative bodies. Democrats made significant gains across the country.

### Key State Legislature Races:

#### Democrats win control of key legislative chambers:

- Colorado Senate
- Connecticut Senate
- Maine Senate
- Minnesota House
- New York Senate
- New Hampshire Senate and House

#### Republicans maintain control of key legislative chambers

- Florida Senate and House
- Iowa Senate and House
- Michigan Senate and House
- North Carolina Senate and House
- Ohio Senate and House
- Pennsylvania Senate and House
- Wisconsin Senate and Assembly

## KEY BALLOT QUESTIONS

**Marijuana Legalization Ballot Question Proposal 1 Approved by Michigan Voters:** Michigan is the first state in the Midwest to legalize the recreational use and possession of marijuana for persons 21 years of age or older. **General Motors contributed \$50,000 to the “No” Campaign.** The proposal:

- Legalizes the possession and use of recreational marijuana for adults (age 21 years or older).
- Allows individuals to grow up to 12 marijuana plants in their residences.
- Creates an excise sales tax of 10 percent, which would be levied on marijuana sales at retailers and microbusinesses.
- Allocates revenues of the tax to local governments, K-12 education, and road and bridge maintenance.
- Legalizes the cultivation, processing, distribution, and sale of industrial hemp.
- Allows municipalities to ban or limit marijuana establishments within their boundaries.
- It is expected to take effect 10 days after election results are certified (before November 26).

**Michigan Redistricting Ballot Question Proposal 2 Wins by a Large Margin:** Voters approved transferring the power to draw the state's congressional and legislative districts from the state legislature to an independent redistricting commission. The proposal:

- Creates a 13 member independent redistricting commission, comprised of 4 Democrat commissioners, 4 Republican commissioners and 5 Independent or third-party commissioners.
- Stipulates affirmative votes of at least 7 members, including a minimum of 2 Democrats, 2 Republicans, and 2 members not affiliated with the major parties, would be needed to pass a redistricting plan.



- Requires commissioners to prioritize specific criteria, including compliance with federal laws; equal population sizes; geographic contiguousness (sharing of borders); demographics and communities of similar historical, cultural, or economic interests; no advantages to political parties; no advantages to incumbents; municipal boundaries; and compactness.

**California Fuel Taxes Sustained by “No” Vote Rejection of Proposition 6:** California voters defeated a repeal of the fuel tax increases enacted in 2017 and a requirement for voter approval for fuel tax increases in the future. The legislature had previously approved increasing the gas tax by \$0.12 per gallon, increasing the diesel fuel tax by \$0.20 per gallon, increasing the sales tax on diesel fuels by an additional 4 percentage points, creating an annual transportation improvement fee, and creating an annual zero-emission vehicle (ZEV) fee. The funding is dedicated to transportation infrastructure. **The Auto Alliance on behalf of its members supported the “No” campaign.**